

KHANG DIEN - ANNUAL REPORT 2015



**Khang Dien House Trading and Investment JSC**

**Head Office:**

📍 Room 801, 8<sup>th</sup> Floor, Centec Tower,  
72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, HCMC

☎ (84-8) 3820 8858 - Fax: (84-8) 3820 8859

✉ info@khangdien.com.vn

🌐 www.khangdien.com.vn

# SUSTAINING SUCCESS

ANNUAL REPORT 2015



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*Where you put your trust,  
Where you make your home*





PROFIT



260

VND BILLION

In 2015 the Company earned VND 260 billion net profit after-tax, outperforming the profit target set by the General Meeting of Shareholders by 30% and achieving 155% of the 2014's performance.

SALE VOLUME



1,000

HOUSES

Continuing to build on the success of the townhouses compound business marked by the Mega Residence project, in 2014-2015 the Company sold close to 1,000 houses from the following projects: Mega Ruby, Mega Village and Melosa Garden.

TOTAL ASSETS



8,500

VND BILLION

In 2015 the Company deployed nearly VND 2,300 - billion for four investments, of which the 57.3% acquisition of Binh Chanh Construction Investment Joint Stock Company (BCCI) was significant. These new investments accounted for the majority of the increase in total assets to VND 8,500 billion as of December 31, 2015.

Dear Valued Shareholders,

The year 2015 saw the recovery of the real estate industry thanks to the supporting policies from the Government. Particularly, the New Housing Laws and the Revised Real Estate Laws became effective, expanding the housing market to include foreign homebuyers. In addition, the signing of the Trans-Pacific Strategic Economic Partnership Agreement (TPP) and good inflows of FDI will create new prospects for the real estate industry in the long term.

Given those favorable macro factors together with the hands-on direction of the Board of Directors, Khang Dien has lived up to its reputation and brand name. The Mega projects reached a key milestone in the urban development cycle of Ho Chi Minh City. With nearly 1,000 houses sold within 18 months and about 70% occupancy rate, these projects have created a modern and bustling new community in District 9. Continuing to build on that success, Khang Dien has launched a series of products to various market segments such as Melosa Garden - an upgrade from the Mega, the high-end Lucasta eco-villas and the Venica five-star villas. With those projects, in 2016 the Company earned a net profit after tax of VND 260 billion, surpassing its 2015 goal by 30%.

In 2015, with the full supports from the Company's strategic shareholders, Khang Dien increased its charter capital to VND 1,800 billion. Large institutional investors such as VinaCapital, Dragon Capital, Elite Fund, SAM, and Vietnam Holdings etc. continued to hold the maximum 49% of the foreign shareholding room. The Board of Directors made a strategic decision of acquiring 57.3% of Binh Chanh Construction Investment Joint Stock Company (BCCI), which has a large land bank in good locations in the South-Southwestern of Ho Chi Minh city. The acquisition helps Khang Dien to grow its land bank to 500 hectares, diversify its product portfolio and market places, and expand the Company's scale.



The year of 2016 marks the fifteenth anniversary of Khang Dien's real estate business. With careful preparation, rich experience, and the supports from the strategic shareholders and Vietinbank - one of the largest commercial banks in Vietnam, Khang Dien will succeed in 2016 and become one of the largest real estate companies in Ho Chi Minh City.

On behalf of the Board Directors, I sincerely thank you for your trust, support and commitment since the early days of the Company. With our well-known motto, "Where you put your trust, where you make your home", a keen on sustainable development, brand name and passion, we always strive to meet the ever increasing market expectations and perfect the dwellings we build with modern designs and facilities. We will always do our best to uphold our leading brand name, bring sustainable value to the community we operate in, and maintain value creation for our shareholders.

Sincerely yours,

**LY DIEN SON**

Chairman of the Board



## CORPORATE PROFILE



### KHANG DIEN HOUSE TRADING AND INVESTMENT JOINT STOCK COMPANY

Address : Room 801, the 8<sup>th</sup> Floor, Centec Building,  
72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam.

Tax code : 0302 588 596

Telephone : (84-8) 3820 8858

Fax : (84-8) 3820 8859

Email : [info@khangdien.com.vn](mailto:info@khangdien.com.vn)

Website : [www.khangdien.com.vn](http://www.khangdien.com.vn)

### STOCK INFORMATION

Stock Symbol

**KDH**

Listed date

**01/02/2010**

Listed on

**HO CHI MINH STOCK EXCHANGE - HOSE**

Charter capital

**VND 1,800,000,000**

Sector

**REAL ESTATE TRADING AND INVESTMENT**

### AUDITOR

**Ernst & Young Vietnam Limited Company**

Address : 28<sup>th</sup> floor, Bitexco Finance Tower  
2 Hai Trieu, District 1  
Ho Chi Minh City, Vietnam.

Telephone : (84-8) 3824 5252

Fax : (84-8) 3824 5250

Website : [www.ey.com/VN/home](http://www.ey.com/VN/home)

# VISION, MISSION, CORE VALUES, COMPETITIVE ADVANTAGE

## VISION

To become a leading real estate company in Ho Chi Minh City area by pursuing a sustainable development strategy supported by the Company's competitive advantages such as large land bank in good locations, financial strength and dedicated, experienced human resource.



## MISSION

To provide housing products under Khang Dien brand with international build quality, perfect living spaces, modern architecture, transparent legal framework, reasonable pricing and customer satisfaction and to contribute to Vietnam's urban and community developments.

## COMPETITIVE ADVANTAGE

- Transparent legal framework
- Modern design - outstanding quality
- Build and finish before selling
- Dedicated services

## CORE VALUES

### Product quality is our focus

Always prioritize innovation, flexibility and dynamic in pursuit of product excellence.

### Sustainable development is our goal

Maximizing profits and ensuring stable and sustainable growth.

### Community sharing is our obligation

Pioneering in serving our customers, shareholders and the society.

### We create an clear impression

Through professional and innovative business practices and administration.



## OVERVIEW AND MILESTONES

# 2001

KHANG DIEN HOUSE TRADING AND INVESTMENT LIMITED COMPANY WAS ESTABLISHED.

# 2007

TRANSFORMED FROM LIMITED LIABILITY COMPANY TO JOINT STOCK COMPANY AND INCREASED CHARTER CAPITAL FROM VND 216 BILLION TO VND 332 BILLION.

# 2010

LISTED COMMON SHARES ON THE HO CHI MINH STOCK EXCHANGE (HOSE) UNDER TICKER KDH.

INCREASED CHARTER CAPITAL FROM VND 332 BILLION TO VND 439 BILLION.

# 2013

LAUNCHED TWO PROJECTS: HOJA VILLA - ADJACENT VILLAS WITH GARDENS AND MEGA RESIDENCE LOCATED AT DISTRICT 9, HO CHI MINH CITY.

# 2014

INCREASED CHARTER CAPITAL TO VND 750 BILLION.

LAUNCHED MEGA RUBY PROJECT AND SOLD OUT ALL UNITS, CREATING A RESIDENTIAL COMMUNITY OF MORE THAN 10 HECTARES IN DISTRICT 9.

# 2015



INCREASED CHARTER CAPITAL TO **VND 1,800** BILLION.



ACQUIRED **57.3%** CHARTER CAPITAL OF BINH CHANH CONSTRUCTION INVESTMENT SHAREHOLDING COMPANY (BCCI).



SUCCESSFULLY DEPLOYED PROJECTS NAMELY MEGA VILLAGE, MELOSA GARDEN AND LUCASTA WHICH WERE HIGHLY APPRECIATED BY CUSTOMERS.

# 15 YEARS

## A JOURNEY

Over the past fifteen years, Khang Dien has always been searching for excellence in real estate development and customer services. With a land bank of nearly 500 hectares in good locations in Ho Chi Minh City area, transparent legal framework and best value-for-money housing products, the Company has established its industry leading position in offering homebuyers modern lifestyle with total living experience.

Khang Dien, with its financial strength and development experience, continues to work harder and overcome any challenge, which will enhance the Company's leading position in the Vietnamese real estate market and earn more customer loyalty and partner trust.



## BUSINESS SCOPE AND SCALE



THE VENICA PROJECT

### MAIN BUSINESS

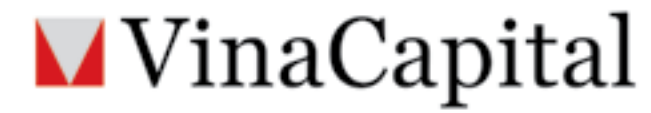
Real estate development has been the core business of Khang Dien since the very first days of its founding. This business has attracted a lot of passion of the Company founders and the employees for the past fifteen years. With that passion, Khang Dien has acquired key advantages in the real estate business including transparent legal frameworks, modern designs, outstanding quality, excellent customer services and reasonable prices. Khang Dien has implemented a strategy of product diversification including villas, townhouses, apartments, and real estate trading floor. Each product has exhibit specific characteristics to meet increasing and diversified demands of customers.



### MARKET PLACE

Khang Dien's business activities have been implemented mainly in the Eastern area of Ho Chi Minh City, specifically District 2 and District 9 where large land plots are available with beautiful landscape, rivers, canals, and modern infrastructure planning. These advantageous locations have created a dynamic, modern and environmentally friendly living environment.

From 2015, Khang Dien started enlarging its market place to the Southwestern area of the city including Binh Tan and Binh Chanh district.





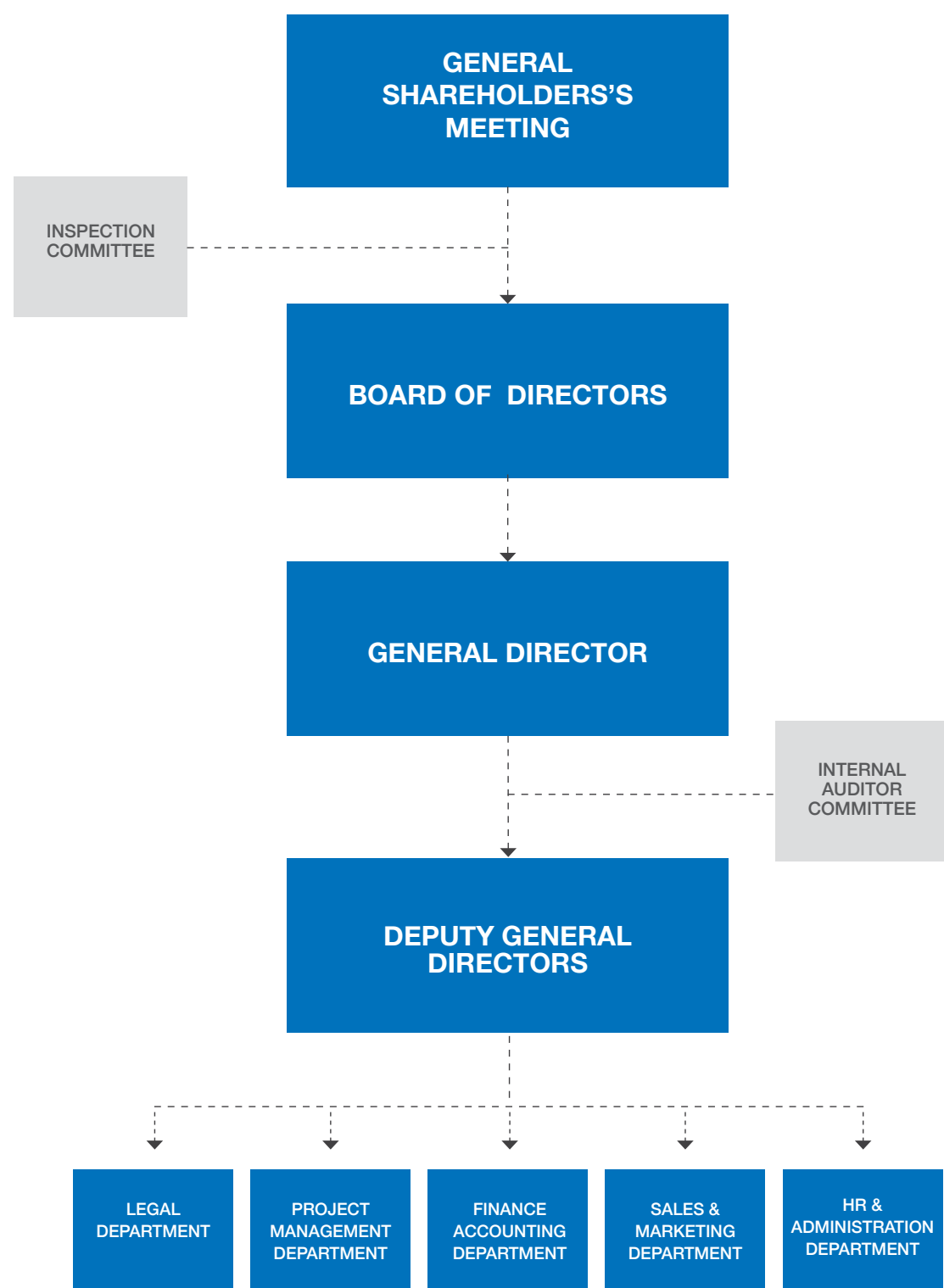


**STEADY STRENGTH  
ENHANCED SUCCESS**



# ORGANIZATIONAL CHART

# GROUP STRUCTURE



KDH includes 21 subsidiaries with two groups: 18 subsidiary companies operate in real estate and construction which are at least 98% owned by KDH. Only Binh Chanh Construction Investment JSC (BCCI) is listed with KDH owning 57.31% shares of equity capital. All subsidiaries have business activities and generate revenue in Ho Chi Minh City.

	COMPANY NAME	CHARTER CAPITAL (BILLION VND)	KDH OWNERSHIP PERCENTAGE (%)
1	Hao Khang LTD.	123.6	100
2	Long Phuoc Dien House Development and Infrastructure Building LTD.	140	99.95
3	Nha Pho Investment LTD.	430	99.90
4	Gia Phuoc Real Estate Investment and Trading LTD.	250	99.90
5	Tri Kiet Real Estate Investment and Trading LTD.	17	99.90
6	Sapphire Real Estate Investment and Trading LTD.	110	99.90
7	International Consulting LTD.	90	99.90
8	Kim Phat Real Estate Investment and Trading LTD.	100	99.90
9	Mega City LTD.	60	99.85
10	Sai Gon Spring Real Estate Trading JSC.	100	99.80
11	Thap Muoi Real Estate Trading and Construction Company LTD.	150	99.80
12	Tri Minh Real Estate Investment and Trading LTD.	285	99.80
13	Binh Trung Real Estate Investment and Trading LTD.	200	99.80
14	Lien Minh Real Estate Investment and Trading LTD.	100	99.70
15	Song Lap Real Estate Investment and Trading LTD.	270	99.70
16	ViLa JSC.	50	99.00
17	Viet Huu Phu JSC.	225	99.00
18	Green Space Real Estate Trading and Investment LTD.	280	99.01
19	Binh Chanh Construction Group Investment JSC. (BCCI)	867.2	57.31
	<b>BCCI owns 2 subsidiaries:</b>		
20	BCI JSC.	-	-
21	BCCI Development Investment LTD.	-	-



## BOARD OF DIRECTORS



### Mr. Ly Dien Son

Chairman

Mr. Ly Dien Son was born in 1966 and currently is the Chairman of the Board of Directors and General Director of Khang Dien. Graduated with a Bachelor degree from the University of Culture, he is the founder of Khang Dien. With broad experience and deep knowledge in the field of real estate development and investment, he has been instrumental in building up Khang Dien as a reputable and strong company nowadays.



### Ms. Mai Tran Thanh Trang

Board Director

Ms. Mai Tran Thanh Trang was born in 1976 and has been a Board Director and Deputy General Director.

Ms. Mai Tran Thanh Trang earns double Bachelor degrees in Land Management and Laws and has been working at Khang Dien since its early days. Ms. Trang is currently managing the Department of Project Legal Affairs. With 15 years of experience in project legal affairs, Ms. Trang has made great contributions to the establishment of sound legal foundation for each project, protecting the benefits of customers and investors and contributing to the sustainable development of Khang Dien system.



### Ms. Nguyen Thi Dieu Phuong

Board Director

Ms. Nguyen Thi Dieu Phuong was born in 1980. She obtains a Bachelor degree in Economics - Financial and is also an ACCA Auditor.

After many years working as a Senior Auditor of KPMG, Ms. Phuong is currently working for VinaCapital as an Investment Director.

With broad experience and many achievements from her work, she was invited to join Khang Dien as a Board Director.

Since joining Khang Dien, she has been supporting the Company in establishing appropriate financial strategies for each development stage in different market situations.



### Mr. Nguyen Dinh Bao

Board Director

Mr. Nguyen Dinh Bao was born in 1975. He has a Bachelor degree in Laws and is a certified lawyer. Currently, Mr. Bao is a Board Director and Deputy General Director directly helping the General Director in daily management and administration of the Company and the subsidiaries. He has been instrumental in developing internal processes and procedures to ensure that the Company operates in accordance with the Charter and the relevant laws.



### Mr. Le Hoang Son

Board Director

Mr. Le Hoang Son was born in 1977. He has double Bachelor degrees in Laws and Business Administration.

He has worked at Khang Dien since 2007, holding positions such as Deputy Head of Corporate Legal Affairs and Director of Project Legal Affairs. Mr. Le Hoang Son has made significant contributions to the completion of Khang Dien's project legal framework.

## MANAGEMENT TEAM



### Mr. Ly Dien Son

General Director



### Ms. Mai Tran Thanh Trang

Deputy General Director



### Mr. Nguyen Dinh Bao

Deputy General Director

(See Board of Directors for further details)



### Mr. Nguyen Duc Trong

Deputy General Director

Mr. Nguyen Duc Trong was born in 1972. He has double Master degrees in Project Management and Business Administration.

Mr. Nguyen Duc Trong has been with Khang Dien since 2010. With more than 15 years of experience in project management, he has involved in many important projects such as The Venica, Lucasta, Melosa Garden, and Mega Village...



### Ms. Ngo Thi Mai Chi

Deputy General Director

Ms. Ngo Thi Mai Chi was born in 1978. She has a Bachelor degree in Accounting. Having been with Khang Dien since 2007, she is currently the Deputy General Director who is in charge of Financial-Accounting and Business Affairs of Khang Dien.

Ms. Chi has made certain contributions to the establishment of financial plans of the Company and appropriate business plans for each development stage of the Company.



# SHAREHOLDER INFORMATION

## SHARE STRUCTURE

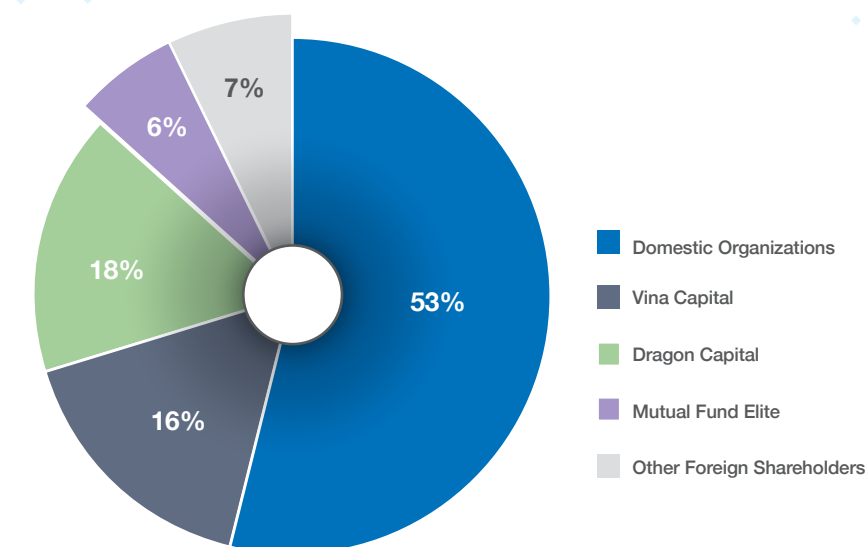
According to shareholder records provided by Vietnam Securities Depository on 15 March 2015, the Company shareholding structure is shown below:

SHAREHOLDER	SHARES	PERCENTAGE %
<b>Number of registered issued shares</b>	<b>180,000,000</b>	<b>100</b>
Common Shares	180,000,000	100
Preferred Shares	-	-
<b>Number of outstanding shares</b>	<b>180,000,000</b>	<b>100</b>
Floats	177,890,433	98.83
Restricted Shares	2,109,567	1.17
<b>Treasury shares</b>	<b>-</b>	<b>-</b>

## SHAREHOLDER STRUCTURE

SHAREHOLDERS	NUMBER OF SHARES	OWNERSHIP PERCENTAGE %
<b>Government</b>	-	-
<b>Shareholders holding 5% or more of total common shares</b>	<b>95,557,962</b>	<b>53.09</b>
Domestic	56,945,828	31.64
Foreign	38,612,134	21.45
<b>Shareholders holding less than 5% of total common shares</b>	<b>84,442,038</b>	<b>46.91</b>
Domestic	38,354,197	21.31
Foreign	46,087,841	25.60
<b>Institutions</b>	<b>166,476,924</b>	<b>92.49</b>
Domestic	81,862,691	45.48
Foreign	84,614,233	47.01
<b>Individuals</b>	<b>13,523,076</b>	<b>7.51</b>
Domestic	13,437,334	7.46
Foreign	85,742	0.05

KDH is one of the few real estate enterprises in Vietnam whose foreign ownership is at limit. Foreign investors are large institutional investors such as Vinacapital, Dragon Capital, Mutual Fund Elite, Vietnam Holding, SAM, etc.



## NEW COMMON SHARES ISSUED

In 2015, KDH had two round of new common share issued.

Round 1: In January 2015, Khang Dien continued success in collecting 850 billion VND via issuing 48,480,000 shares to organization investors and 2,520,000 shares to its employees, raising its charter capital from 750 billion VND to 1,260 billion VND.

Round 2: in December 2015 KDH successfully issued 54,000,000 new common shares in which 50,400,000 shares were issued to the existing shareholders and 3,600,000 shares to company employees under ESOP program, increasing its charter capital from 1,260 billion VND to 1,800 billion VND.

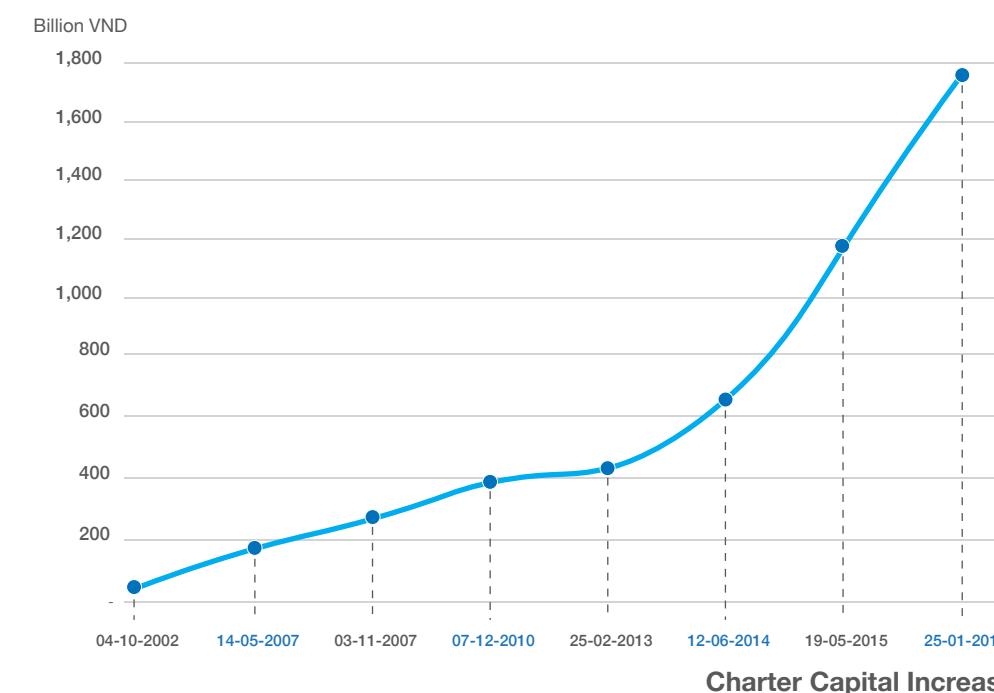
- Shareholder equity on 31 December 2015: VND 4,184,646,940,000

- Equity surplus on 31 December 2015: VND 1,159,914,160,000

- Earnings per share on 31 December 2015: VND 2,137

- Dividend rate 2015: 15% of par (8% advanced by cash)

- Market Capitalization Value on 31 December 2015: VND 3,870,000,000,000



## TREASURY SHARE TRANSACTION

In 2015, KDH had no treasury share transactions.



## INVESTOR RELATION



The Board of Directors always pays attention to corporate disclosure and transparency and the sharing of company information with shareholders and investors. The Company regularly shares information through the following channels: company website, email, telephone, investor meetings, project site visits, and public relation.

### THE COMPANY WAS HONORED

# TOP 05

IN 2015 THE COMPANY WAS HONORED BY VIETSTOCK AS ONE OF THE TOP FIVE LISTED ENTERPRISES FOR IR ACTIVITIES.

Information about the Company's business operations and financial results is reported to Ho Chi Minh Stock Exchange and State Security Commission of Vietnam as regulated. The information is also fully and timely published on the Company's website at [www.khangdien.com.vn](http://www.khangdien.com.vn) as well as other media channels.

In the past year, the Company welcomed over 50 groups of investors at its headquarters to share and update business results. Many of the visiting investors are foreign investment funds from Europe, USA, Singapore, Thailand, and Japan... In addition, Khang Dien organized project visit tours for the shareholders, securities companies and foreign investment funds who were interested in and researching about the Company.



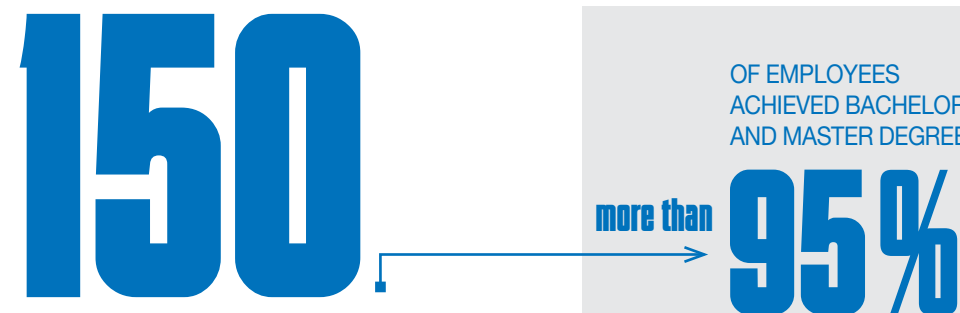
# HUMAN RESOURCES MANAGEMENT



**“Where You Put Your Trust, Where You Make Your Home”** is Khang Dien’s commitment to its customers and employees. In order to achieve this commitment, the Company has applied a system of human resources management and policies that are transparent and ceaselessly improved. Khang Dien has always paid special attention to its most valuable asset which is the creative contribution of professional staffs. Khang Dien has been building fair regulations and an open-minded and professional working environment with the most appropriate policies on recruitment training and remuneration suitably.

Besides the growth in 2015, the Company also guarantees the strategic objectives on human resources management “The right people in the right place at the right time”. A recruitment process was established to ensure that the new comers are qualified and equipped with sufficient experience and skills as well as good conduct and desire of working for a long time at the Company.

## TOTAL EMPLOYEES



## WORKING SCHEDULE

**40** hours per week,

**Policies on social insurance, health and periodical health check-up are strictly complied with regulations of the Government and general working policies of Khang Dien. The company has clear and suitable pay policies for each position and business situation in each stage.**

With 95 employees in 2014, this number has remarkably increased to 150, more than 95% of employee achieved bachelor degree and average age is under 40 years old. This factor also is the competitive advantage: Khang Dien has full of young and creative staffs. Through which, the Company has built the new inheritor team by creating an open-minded and professional working environment so that all employees have a chance of promoting their capability and creativeness as well as sharing, ensuring the continuity among levels in the Company.

Training, improvement and development human resources are essential activities for all enterprises. The Company has always provided its employees with training courses to enhance their capacity and skills to meet all requirements of the Company. Besides, all employees have been always encouraged to participate in short-term training courses to improve their profession. Modes of training at Khang Dien include internal and external training.

Training programs: focus on demanding fields such as project management, financial management, human resources management, occupational safety and health training as well as practicing on fire fighting and prevention.

Khang Dien believes that good remuneration policies will make staff more enthusiastic, creating higher productivity and finally solidarity creates the increase in company values. A team of excellent employees is undeniably the core value of the Company.

Annually, the Company has outbound or inbound trips which are considered to be an essential welfare for employees to balance their life and also for their favorable working environment. Besides sightseeing purpose, this is an opportunity for the employees to experience in infrastructure works and advanced knowledge in other countries.





**SOLID FOUNDATION  
STRONG STEPS AHEAD**



# PROJECT LOCATIONS



NOTE			
	DEPLOYED PROJECTS		HOSPITAL
	DEPLOYING PROJECTS		SUPERMARKET
	UPCOMING PROJECTS		GOLF



## HIGHLIGHTS OF TYPICAL PROJECTS



### **THE VENICA** EXCLUSIVE LIFESTYLE

Located on parallel road of Long Thanh - Dau Giay Highway and Do Xuan Hop Street.

The project is a green oasis with 3 adjacent rivers.

Just 43 five-star villas is in 3 hectares oasis, The Venica offers for the homebuyers unmatched luxury living experience.





## HIGHLIGHTS OF TYPICAL PROJECTS (continued)



### MELOSA GARDEN JOURNEY OF HAPPINESS

Located on the Inner Ring Road and adjacent to the Long Thanh - Dau Giay Highway in District 9, the project includes close to 500 townhouses and duplex villas. With modern build, a Singapore style 9-level water fall swimming pool placed in 4 hectares of landscape, lakes, parks, and tennis courts... The compound truly creates a perfect natural living experience for nature lovers.



## HIGHLIGHTS OF TYPICAL PROJECTS (continued)



### **LUCASTA** HIGH-CLASS FROM REFINEMENT

Located on Lien Phuong Road near the Long Thanh - Dau Giay Highway and the Inner Ring Road in District 9, the compound includes 140 high-class eco villas surrounded by a one hectare lake, harmonized landscape, and modern facilities. The project brings a unique experience of relaxation and refined living.



## HIGHLIGHTS OF TYPICAL PROJECTS (continued)



### THE MEGA SERIES (MEGA RESIDENCE - MEGA RUBY - MEGA VILLAGE)

The townhouse of the Mega Villa series are built with modern concept, in harmony with the nature, and supported by modern facilities (swimming pools, tennis courts, gyms, and parks etc.). These compounds, which are under 24/7 security, have been warmly accepted by homebuyers, creating Khang Dien's development signature.



## COMPLETED PROJECTS

### HOJA VILLA

**Location** : Phuoc Long B, District 9, Ho Chi Minh City  
**Land area** : 0.8 ha  
**Product** : 29 townhouses.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of home ownership for each unit; residence formed.



### KHANG DIEN - PHUOC LONG B RESIDENTIAL AREA

**Location** : Duong Dinh Hoi Street, Phuoc Long B Ward, District 9, Ho Chi Minh City  
**Land area** : 10.4 ha  
**Product** : 247 detached villas, duplex villas and attached villas with garden, and apartments.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of home ownership for each unit; residence formed.

### PARCSRING

**Location** : Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City  
**Land area** : 3 ha  
**Product** : 974 apartments.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of land use right for each block, Block C2 (404 apartments) completed and handed over to buyers, construction in progress for Blocks C1 and C3.

### MEGA SAPPHIRE

**Location** : Inner Ring road, Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 0.8 ha  
**Product** : 57 townhouses.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of home ownership for each unit; residence formed.

### LUCASTA

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 7.8 ha  
**Product** : 140 Luxury villas.  
**Legal Status** : 1/500 master plan approval, land entitlement, certificate of land use right for each house; construction in progress (30%)

### TOPIA GARDEN

**Location** : Bung Ong Thoan Street, Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 6 ha  
**Product** : 225 duplex villas, attached villas.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of land use right for each house; house construction in progress.

### MEGA RESIDENCE

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 3.2 ha  
**Product** : 160 townhouses with private gateways.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of home ownership for each unit; residence formed.

### MEGA VILLAGE

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 5.7 ha  
**Product** : 323 townhouses with gardens.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of home ownership for each unit; residence formed.



### RIVER TOWN

**Location** : Phuoc Long B Ward, District 9, Ho Chi Minh City  
**Land area** : 7.1 ha  
**Product** : 197 duplex villas, detached villas and attached villas.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of home ownership for each unit; residence formed.

### MEGA RUBY

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 5 ha  
**Product** : 222 townhouse with individual private gateways.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of home ownership for each unit; residence formed.

### MELOSA GARDEN

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 17 ha  
**Product** : 442 townhouses with gardens, duplex villas; high-end apartments to be built.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of land use right for each house; house construction in progress.





## PROJECTS UNDER DEVELOPMENT

### THE VENICA

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 3.1 ha  
**Product** : 43 Supper Luxury villas.  
**Legal Status** : 1/500 master plan, investment certificate, land entitlement, certificate of land use right for each unit; construction near completion.

### FELIZA PROJECT

**Location** : Phuoc Long B Ward, District 9, Ho Chi Minh City  
**Land area** : 0.3 ha  
**Product** : 17 townhouses.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of land use right for each unit; construction in progress.

### HIGH-END APARTMENT PROJECT

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 1.6 ha  
**Product** : High-end apartment.  
**Legal Status** : 1/500 master plan, land entitlement, certificate of land use right for entire land area.

### THAP MUOI PROJECT

**Location** : Phuoc Long B ward, District 9, Ho Chi Minh City  
**Land area** : 3.1 ha  
**Product** : 131 townhouses with gardens.  
**Legal Status** : 1/500 master plan, investment certificate, land entitlement.



HIGH-END APARTMENT PROJECT



THAP MUOI PROJECT

## FUTURE PROJECTS

### TOWNHOUSE PROJECT

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 4.4 ha  
**Product** : 150 villas and attached villas with gardens.  
**Legal Status** : 1/500 master plan, investment certificate, land entitlement.

### LONG PHUOC DIEN - LONG TRUONG RESIDENTIAL AREA

**Location** : Long Truong Ward, District 9, Ho Chi Minh City  
**Land area** : 5.4 ha  
**Product** : Luxury riverside villas.  
**Legal Status** : Land clearance 100%, 1/500 master plan in progress.

### HIGH- END APARTMENT PROJECT

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 2.7 ha  
**Product** : High-end apartments - 18 levels.  
**Legal Status** : land clearance completed, investment certificate, 1/500 master plan.

### VILLA PROJECT

**Location** : Long Truong ward, District 9, Ho Chi Minh City  
**Land area** : 3.4 ha  
**Product** : Luxury villas.  
**Legal Status** : principle investment certificate, land clearance 86%.

### TRI KIET - LONG TRUONG RESIDENTIAL AREA

**Location** : Long Truong Ward, District 9, Ho Chi Minh City  
**Land area** : 4.5 ha  
**Product** : Villa and attached villas with gardens.  
**Legal Status** : principle investment certificate, land clearance in progress.

### GIA PHUOC PROJECT

**Location** : Phu Huu Ward, District 9, Ho Chi Minh City  
**Land area** : 3.1 ha  
**Product** : 118 attached villas with gardens.  
**Legal Status** : land clearance 100%, 1/500 master plan, investment certificate.

### KHANG DIEN - LONG TRUONG RESIDENTIAL AREA

**Location** : Long Truong Ward, District 9, Ho Chi Minh City  
**Land area** : 20.1 ha  
**Product** : 178 Luxury villas; high-rise apartments.  
**Legal Status** : Phase 1 (9.1 ha) land clearance 100%, 1/500 master plan, investment certificate, land entitlement; Phase 2 (11 ha): 61% land clearance.

### BINH TRUNG VILLA

**Location** : Binh Trung Dong Ward, District 2, Ho Chi Minh City  
**Land area** : 5.7 ha  
**Product** : 159 attached villas with gardens, luxury villas.  
**Legal Status** : 1/500 master plan, investment certificate, land entitlement.





**Ms. Vuong Hoang Thao Linh**  
Head of the Inspection Committee

Ms. Vuong Hoang Thao Linh was born in 1972. She has double Bachelor degrees in Economics, Laws and a Master degree in Business Administration. She is now Head of the Inspection Committee.

With more than 15-year experience in Accounting and Auditing, she was a senior auditor at Auditing and Consulting (A&C) Company, Chief Accountant of Air Energy Vietnam, Avon Vietnam. Currently and currently is Deputy Director of Investment at VinaCapital.

Ms. Linh has been managing all activities of the Inspection Committee, evaluating business results, and monitoring operational activities of the Company.



**Mr. Hoang Manh Phong**  
Member of the Inspection Committee

Mr. Hoang Manh Phong was born in 1969. He holds double Bachelor degrees in both Construction and Economics.

He has worked at big corporations and enterprises operating in the real estate field such as COFICO and Phat Dat. With more than 18 years of experience, he has provided supports in inspecting construction quality and controlling construction costs, ensuring the project quality.



**Mr. Dao Cong Dat**  
Member of the Inspection Committee

Mr. Dao Cong Dat was born in 1980. He holds a Bachelor degree in Laws.

Mr. Dat has worked at Khang Dien since 2009. Together with other members of the Committee, he has reviewed all activities of the Company, ensuring the Company is in compliance with the laws and the Resolutions of the General Meeting of Shareholders,...

## INSPECTION COMMITTEE OVERVIEW

### 1. INSPECTION COMMITTEE MEMBERSHIP AND STRUCTURE

The Inspection Committee (IC) consists of three members elected by the General Meeting of Shareholders (GMS) to carry out oversight activities in accordance with the laws and company's charter. The committee includes:

- 1. Ms. Vuong Hoang Thao Linh**  
Head of Inspection Committee
  - 2. Mr. Hoang Manh Phong**  
Member
  - 3. Mr. Dao Cong Dat**  
Member (Appointed on April 13<sup>th</sup>, 2015)
- Mr. Tran Duc Thang**  
Member (Resigned on April 13<sup>th</sup>, 2015)



### 2. IC MEETING SUMMARIES

In 2015, the IC held three meetings with full participation of its members to review the results of the activities carried out during the period, plan for the next period, and make proposal to the Board of Directors and Management Team. Key contents of the meetings are shown below:

- Meeting Minutes No. 01/2015/BB-BKS on January 12<sup>th</sup>, 2015 on Performance review of IC activities for 2014, Discussing about selecting an Independent Auditor for 2015, and Assigning tasks to IC members.
- Meeting Minutes No. 02/2015/BB-BKS on August 03<sup>rd</sup>, 2015 on Approval of the financial statements for the first six months of 2015 as audited by Ernst & Young Vietnam Limited, Preliminary review of IC activities during the first seven months of 2015 and planned activities for the final months of 2015.
- Meeting Minutes No. 03/2015/BB-BKS on December 28<sup>th</sup>, 2015 on Summarizing and Reporting IC activities in 2015, Discussing about selection procedures for Independent Audit for financial year 2016.

### 3. IC MEMBER REMUNERATION AND EXPENSE SUMMARY

The Inspection Committee received remuneration in accordance with Resolutions of the 2014 Annual General Meeting of Shareholders. The details are:

- Head of Inspection Committee:  
VND 10 million per month.
- Members of Inspection Committee:  
VND 5 million per month.

The Company did not pay any other expenses for IC activities and of the IC members.



## INSPECTION COMMITTEE'S MONITORING ACTIVITIES

In 2015, with close collaboration of the Board of Directors (BOD) and the Management Team (MT), the Inspection Committee performed the inspection, monitoring and recommending changes to increase the effectiveness and improve the quality of the Company's corporate governance.

### 1. RESULTS ON MONITORING THE COMPANY'S OPERATION AND ADMINISTRATION

The Inspection Committee acknowledges that the Company fully complies with the relevant laws in corporate governance and administration. In particular, the members of the Board of Directors, Management Team and key managers, in performing of their functions and tasks, fully complies with the Enterprise Law, the Company Charter, and the Resolutions of the Board of Directors and the shareholder meetings.

The Company's operating procedures complies with the requirements of the Internal Management System, quickly detecting problems and proposing appropriate solutions

#### 1.1 Board of Directors' Operations

The BOD gave business development direction, developed plans for medium and long-term projects, strategically maximizing the efficiency of capital invested.

The BOD closely monitored and timely directed the MT in business operations and monitored the implementation of the resolutions adopted by the shareholder meetings.

The BOD meetings were held and strictly complied with the provisions in the Company's Charter; Meeting Minutes and the Resolutions of the BOD were recorded, issued and stored as prescribed.

#### 1.2 Management Team's Operations

In 2015, the MT seriously implemented the resolutions of the BOD. During business operations, the MT members always did their best in making rational decisions within the scope of their responsibilities.

The MT directed and controlled the functional departments in a consistent manner, in accordance with the internal management regulations and suitable with the situations of the Company. Information disclosure was implemented through the Company's website and distributed via mass media regularly and promptly.

#### 1.3 Collaborations among the IC, BOD, and MT

IC was provided with detailed information related to all decisions made by the BOD and MT.

Issues of concern, information and explanations were fully provided to the IC by the MT. The MT and relevant departments cooperated with and respected the IC's recommendations.

### 2. RESULTS ON MONITORING FINANCIAL RESULT FOR 2015

The IC periodically met and discussed with the Independent Auditor about audit scope, audit findings and other issues of concern in the Company's accounting and internal control systems. Using the financial statements audited by Ernst & Young Vietnam Limited, the IC appraised and agreed as follows:

- The audited consolidated financial statements for 2015 honestly and reasonably reflect the financial situation of the Company as of December 31st, 2015, in accordance with current accounting standards.
- The accounting, bookkeeping, recording and classification of economic contents are in accordance with relevant accounting laws and standards.

## THE INSPECTION COMMITTEE'S COMMENTS AND RECOMMENDATIONS

### 1. COMMENTS

In 2015 Vietnam's economy fared better than expected, with growth markedly higher than predicted with estimated GDP growth of 6.68%. The clearest evidence included stable monetary indicators, gold price stability, and especially the low CPI, which indicated a stable economy. Furthermore, business investments associated with global economic integration led to positive foreign trade in 2015; imports and exports increased trade deficit under control. In terms of investment, signs of recovered capital inflows and better growth trends were visible. Another significant factor was a series of newly negotiated free trade agreements creating motivation and confidence though the economy still faced some headwinds.

The Inspection Committee thought that in the economic environment of 2015, the Company made a number of timely actions which demonstrates its fiduciary duty to protect the Company's shareholder value such as striving to operate the business, securing a healthy financial situation, restructuring the investment portfolio, and growing clean land bank for future development. The BOM also promptly collaborated with the MT to resolve problems arising from business operation during the year.

### 2. RECOMMENDATIONS

The BOD and MT should continue maintaining and sustaining the efficiency in business administration while improving the organizational structure and human resource management to best suit the future development of the Company. There need to be flexible business policies to catch new market trends and opportunities as they arrive.

raise new equity capital to be ready to meet the investment capital demands of the Company.

It is also important to be effective in sales and collection management and to promulgate the regulations to control expenses, especially the cost of management, increase profits and maximize shareholders' value

In terms of finance, it is necessary to stabilize the capital structure and the Company's debts,

## THE INSPECTION COMMITTEE'S DIRECTION FOR 2016

To implement completely functions and duties of the Inspection Committee, monitor the Company's operation in compliance with the Company Charter and Resolutions of the General Meeting of Shareholders, the Resolutions of the BOD and the Company's administrative procedures.

The Inspection Committee will continue to refine the processes and procedures and maintain the inspection and monitoring through the direct operations of the IC's members and the Independent Auditors to ensure compliance of the BOD's and MT's operations



# BOARD OF DIRECTORS REPORT

## BOARD OF DIRECTORS' DUTIES AND RESPONSIBILITIES

In 2015 the Board of Directors (BOD) operated in accordance with the Company Charter, and the Directors fully participated in all meetings as required. In particular, the BOD convened 33 meetings with full member attendance and made timely decisions on important issues of the Company. In addition, the BOD provided leadership and made key strategic decisions in times of threats and opportunities, effectively performing the Company's top management role in maintaining the Company's ongoing operations.

## BOARD OF DIRECTORS COMPOSITION AND REMUNERATION

The Board of Directors for the 2012-2017 term includes five members:

- **Mr. Ly Dien Son** - Chairman
- **Ms. Mai Tran Thanh Trang** - Member
- **Mr. Nguyen Dinh Bao** - Member
- **Ms. Nguyen Thi Dieu Phuong** - Member
- **Mr. Le Hoang Son** - Member

In 2015, Ms. Ho Thi Minh Thao resigned from the Board, and the Board elected Mr. Le Hoang Son to be her replacement on 11 September 2015. This replacement will be reviewed and voted in the upcoming General Meeting of Shareholders.

The Annual General Meeting of Shareholders in 2014 approved the remuneration of the BOD as follows:

- Chairman: VND 15,000,000 per month
- Member: VND 10,000,000 per month

The Company did not pay any other fees for the Directors.

## BUSINESS PERFORMANCE IN 2015

### 1. NEW INVESTMENTS

The Company continued to invest capital for low-rise housing projects targeting middle and hi-class market segments, specifically:

- VND 1,100 billion investment to develop a number of new projects in Districts 2 and 9, which increases the Company's clean land bank by 20 hectares. Those projects were completed 100% land clearance, land entitlement and legally ready for development.

- VND 1,146 billion to acquire 57.3% of Binh Chanh Construction Investment JSC.

At the subsidiaries the BOD has assigned experienced professionals to represent the Company. Concurrently, the BOD monitored, followed up and gave directions when needed, making positive contributions to the effective operations of the subsidiaries.

### 2. CORPORATE GOVERNANCE

The Company successfully implemented organizational restructure and made rational changes to the functional departments, making use of capital more effectively and cutting more costs. At the same time, to support its rapid growth, the Company recruited many experienced and qualified

professional to prepare for further growth in 2016 and the subsequent years. In addition, the Company expanded headquarter and added more branch offices and project management - operation centers to meet operational needs.

### 3. BOARD OF DIRECTORS' ASSESSMENT OF MANAGEMENT TEAM PERFORMANCE

The Board of Directors guided and supervised the Management Team (MT) perform its duties in line with the Company goals, directions and plans, and in compliance with the Company Charter and the relevant laws. In 2015, the Company sold over 500 houses from the Mega Ruby, Mega Village, Melosa Garden and Lucasta projects. The 2015 net profit

after-tax reached VND 260 billion, exceeding the profit target set by the General Meeting of Shareholders by 30%. In view of that, the Management Team did perform its duties carefully, honestly, meeting the Company's business objectives.

## DIRECTION FOR 2016

The BOD understands that the Company's business direction must be based upon its customer trust. Given the Company's strength, solid legal framework, large clean land bank in good locations and good strategy, the Company reconfirms its mission of providing homebuyers with not only housing products free of legal risk and reasonably priced but also quality of life.

- In the traditional business line, Khang Dien will continue to run the current real estate business with the focus on key projects and expanding economics of scale, which in turn enhances Khang Dien brand name and creates shareholder value.
- From 2016, the Company will develop more diversified product portfolio to meet the demands of multi market segments. In addition to the middle-class attached villas from Mega Residence, Mega Ruby, Mega Village and Melosa Garden - an upgrade of the Mega standard, the Company will continue to complete the two upscale villa projects, namely Lucasta with price starting from VND 7 billion per villa and The Venica with price starting from VND 14 billion per villa, and launch apartments with price starting from VND 1 billion per unit.

The BOD generally seeks to acquire more land in prime locations while implementing projects on the existing land plots. The Company is keen on forming partnerships or joint ventures with financially capable domestic and foreign partners to speed up returns on invested capital, reduce debts and increases shareholder value.

Anticipating the uptrend of the real estate market in 2016, the BOD sets a consolidated net profit after-tax target of VND

**400** Billion

Concurrently, the BOD will direct the Management Team to review and revise company policies and internal procedures to facilitate the rapid growth of the Company and increase internal control and risk management activities to create the most value for the Company.

Placing the customers at the center of all business operations, the BOD believes that the Company will become a leading real estate investor-developer in Ho Chi Minh city area.



# MANAGEMENT TEAM REPORT



## ASSESSMENT OF BUSINESS PERFORMANCE

### 1. REAL ESTATE MARKET RECOVERY AND SUPPORTING FACTORS

In 2015 the real estate market experienced positive changes driven by a series of Government's supporting policies and systematic infrastructure development:

- **Housing Law and Real Estate Law** effective in mid-2015 sets new a standard for industry control, brings more transparency and sustainability to the market, and opens up the market foreign participants.
- **Infrastructure** development in 2015 was a bright spot, serving as a catalyst for the market. Today's, Sai Gon-2 Bridge, Thu Thiem Bridge, Thu Thiem Tunnel, and Vo Van Kiet Road were completed, creating an efficient transportation network for

the Eastern part of Ho Chi Minh City. Moreover, the 20 km Ben Thanh - Suoi Tien Metro route, the first of its kind in Ho Chi Minh City, being rapidly constructed, has created a significant impact upon the region's real estate market. In early February 2015, the 55 km Long Thanh - Cau Giay Expressway was opened commuters, reducing travelling time from District 9 to the City CBD to 10 minutes.

Together with the favorable factors stated above, the instability of the other financial markets (gold, securities, foreign exchange) and low interest rate level have made the real estate market a safer investment option at the moment.

### 2. IMPORTANT EVENTS OF 2015

**Increase in the charter capital:** to take advantage of the favorable capital market conditions and meet the investment capital needs, Khang Dien completed two rounds of equity capital increase in 2015:

- **Increased charter capital from VND 750 billion to VND 1,260 billion in January 2015.**
- **Increased charter capital from VND 1,260 billion to VND 1,800 billion in December 2015.**

With these rounds, Khang Dien shows its strong financial capacity, the solid foundation for future development.

- **Outperform profit target:** The profit target for 2015 was set at twice that of 2014 (VND 200 billion for 2015). Despite this ambitious target, Khang Dien achieved a net profit after-tax of VND 260 billion VND, outperforming the target by VND 60 billion, or 30% outperformance.
- **Investment into BCCI:** on December 3rd, 2015, Khang Dien completed the acquisition of 57.3% of the common equity of Binh Chanh Construction Investment Shareholding Company (stock code BCI), making BCCI a subsidiary of Khang Dien.

### 3. INVESTMENTS IN 2015

In addition to developing the current projects for commercialization, the Company constantly sought to investment in new land plots in good locations at reasonable price, which in turn creates future growing stable income streams. In 2015 the Company made the following investments:

- **Acquire 57.3% of BCCI:** This strategic investment is to secure large land bank in the South of Ho Chi Minh City near the key traffic network linking to the Western provinces. The transaction was executed through the securities market at a reasonable price, if not good price when considering the land potentials.
- **Acquire 99% of Green Space Real Estate Company,** effectively own the Lucasta villa project in Phu Huu Ward, District 9, Ho Chi Minh City.

This project is an operating asset, including completed luxury eco-villas available for sales. The Company re-purchased this asset under its book value to participate in the high-class villa market segment.

- **Acquire 100% of Kim Phat Real Estate Company,** effectively own the housing project of 3.6 hectares in Phu Huu Ward, District 9, Ho Chi Minh City.
- **Acquire 1.6 hectares clean land** next to The Venica five-star villa project developed by Khang Dien in Phuoc Long B Ward, District 9, next to District 2 (Do Xuan Hop Street) and Long Thanh - Dau Giay Highway. This land plot is planned for future apartment project.

### 4. KEY PROJECTS LAUNCHED FOR SALES IN 2015

#### MEGA RUBY

The project has 5 hectares land area with 222 houses, of which 110 were sold in 2014 and the remainder sold out in the 1st quarter of 2015. ▶



#### MEGA VILLAGE

The project has 5.7 hectares land area with 323 houses. Sales began in april 2015, and 90% of the houses were sold in 2015. ▶



#### MELOSA GARDEN

The project has 15 hectares land area with 442 houses with a remarkable Singapore style 9-floor infinity swimming pool in 4 hectares of landscape and common facility area. Sales began early November 2015, and 100 houses were sold within 2 months. ▶



#### LUCASTA

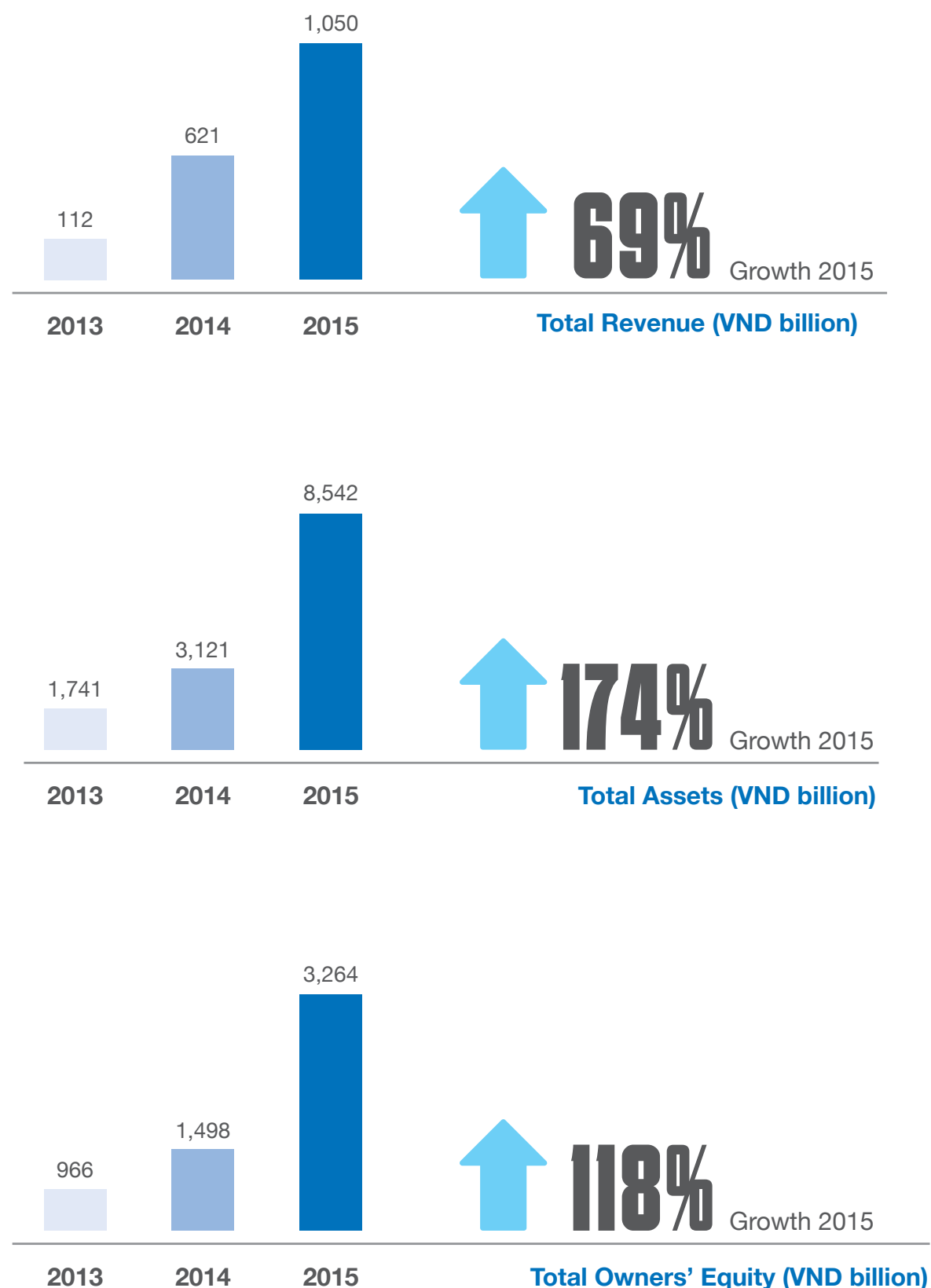
The project has 8.2 hectares land area with 140 villas. This luxury project marks the return of Khang Dien to the high-class villa market segment.

Build on the success of the Mega Residence, attached villas with gardens and private gateways, the Company sold more than 500 houses (from Mega Ruby, Mega Village and Melosa Garden) and achieved early success in the returning to the high-class villa market segment with the Lucasta project. Khang Dien has once more reconfirmed its reputation as a top real estate developer and brought it brand name to a higher level. ▼





FINANCIAL SUMMARY



1.REVENUE & PROFIT

INDICATOR	2013	2014	2015	Compare 2014 & 2015	
				Increase/Decrease	%
Net revenue	112	621	1,050	429	69
Gross profit	(32)	91	338	247	272
Net profit from business activities	(178)	92	234	142	154
Profit before tax	(176)	105	324	219	209
Profit after tax	(137)	63	276	213	339
Profit after tax from the mother company	(125)	102	260	158	155
Earn per share - EPS (VND/share)	(2,750)	1,610	2,084	474	29

*Unit: VND billion*

In 2015, there was strong growth in both revenue and profit. In particular, revenue increased 69% compared to the same period of last year. Profit after tax from the mother company increased 155% compared to the same period of last year, or achieved 130% of the target. This remarkable growth was driven by good sales and effective cost cuttings. Specifically:

Sales: The Company sold

**over 500 units**

Mega Ruby, Mega Village, Melosa Garden, Lucasta,...

COST CUTTING

INDICATOR (cost/revenue ratio)	2013	2014	2015	Compare 2014 & 2015
Cost of goods sold	128%	85%	68%	-17%
Interest expense	26%	6%	1%	-5%
Sales expenses	3%	4%	6%	2%
General Administrative Expenses	42%	6%	7%	1%

The cost of goods sold in 2015 was remarkably reduced compared to that of last year (from 85% to 68%). This is due to improvement in construction management, ensuring satisfactory quality at reasonable cost.

Sale and administrative expenses increased slightly from 1-2%. This increase is unavoidable in the context of the Company's high sales growth

and expanding operational scale. This increase is reasonable and fits in with the Company's operational results.

Interest expense ratio decreased due to the Company's effective capital management and rapid sales. The Company prioritized operating cash flow for debt repayment, rationalizing interest expense



## 2. ASSETS AND CAPITAL STRUCTURE

INDICATOR	2013	Ratio %	2014	Ratio %	2015	Ratio %
Short-term Assets	1,547	89	2,826	91	7,636	89
Long-term Assets	194	11	294	9	907	11
<b>Total assets</b>	<b>1,741</b>	<b>100</b>	<b>3,121</b>	<b>100</b>	<b>8,542</b>	<b>100</b>
Short-term Debts	212	12	482	15	1,024	12
Long-term Debts	563	32	1,102	35	3,333	39
Owners' Equity	966	55	1,498	48	3,264	38
Benefits of Minority Shareholders	0	0	38	1	921	11
<b>Total capital</b>	<b>1,742</b>	<b>100</b>	<b>3,121</b>	<b>100</b>	<b>8,542</b>	<b>100</b>

*Unit: VND billion*

**Assets: in 2015, the Company experienced high asset growth (174%) due to:**

- **Stronger investment and construction** of existing projects such as **Melosa Garden, Lucasta** and **The Venica** while simultaneously acquiring new land plots to prepare for future demands.
- **Consolidating BCCI's inventory of 400 hectares** land bank, mainly concentrated in the South of Ho Chi Minh City.

**Owners' equity:** grew rapidly (118%) mainly due to charter capital increases in 2015. This shows that the Company aims at building financial capacity and reducing leverage, reducing interest expenses, improving return on employed capital and creating surplus for shareholders.



## 3. FINANCIAL INDICATORS

INDICATOR	2013	2014	2015
<b>Liquidity</b>			
Short-term payment indicator	7.28	5.86	<b>7.46</b>
Quick payment indicator	2.26	1.56	<b>1.73</b>
<b>Capital structure</b>			
Debt / Total assets ratio	45%	51%	<b>51%</b>
Debt / Owners' equity ratio	80%	106%	<b>133%</b>
<b>Operational indicator</b>			
Inventory turnover	0.13	0.26	<b>0.12</b>
Receivables turnover	0.30	2.22	<b>1.61</b>
Net revenue/total assets	0.06	0.20	<b>0.12</b>
<b>Profitability</b>			
ROS	-121%	10%	<b>26%</b>
ROA	-8%	2%	<b>3%</b>
ROE	-14%	4%	<b>8%</b>

The 2015 financial indicators were improved compared to the same period of last year, especially profitability ratio. In 2015, the Company maintained its financial structure in a prudent and reasonable manner. Debt mobilization from credit institutions during the year were for construction finance of

on-going projects such as Mega Village, Melosa Garden, Lucasta and The Venica. The debt amount and payment terms were balanced again operating cash inflows from the launched projects to improve the capital use efficiency and ensure the safety of the financial structure.

## 4. CONCLUSION

The year 2015 marks a significant success of Khang Dien business when the Company delivers the profit exceeding the target set by the General Meeting of Shareholders. This success provides a good foundation for Khang Dien to continue to grow and capture opportunities for the future development.



## IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE AND MANAGEMENT POLICIES

### 1. MANAGEMENT TEAM COMPOSITION AND REMUNERATION

For 2015, the Management Team consists of the following members:

- Mr. Ly Dien Son - General Director
- Ms. Mai Tran Thanh Trang - Vice General Director
- Mr. Nguyen Dinh Bao - Vice General Director
- Mr. Nguyen Duc Trong - Vice General Director, appointed on July 1st, 2015
- Ms. Ngo Thi Mai Chi - Vice General Director, appointed on December 15, 2015

During the year, Ms. Ho Thi Minh Thao resigned from her Vice General Director position.

The Company did not pay the Management Team members any other fees but the contracted salaries and bonus.

### 2. IMPROVING SALES MANAGEMENT SYSTEM

The Company invested in a customer relationship management (CRM) system to approach and communicate with customers in a more effective and systematic way, connecting activities among customer care activities in a more harmonious way, specifically:

- **Sales:** Strictly manage its customer database to establish reasonable customer care strategies in order to increase sales revenue.
- **Accounting:** Automating its process, digitalizing data and automating reports to reduce time spent on reporting and data recording.
- **Projects:** updating the sales progress to propose reasonable and effective construction schedules.

### 3. SALES POLICY DIVERSIFICATION

Establishing professional customer care teams who will be ready to provide consumers with advices on legal issues and interior designs, to instruct and support customers with simple procedures related to mortgages, and to handle complaints and questions in a timely manner.

Linking with professional real estate exchanges/agencies in Ho Chi Minh City such as CBRE, Savills, Cengroup, Sunland etc.

Forming business with large commercial banks who provide mortgages with favorable interest rates to provide suitable financial support packages for homebuyers, which shows Khang Dien's commitment to support homebuyers.

### 4. PROJECT MANAGEMENT IMPROVEMENTS

The Company believes that human resources are the most valuable assets. Therefore, it has paid attention to strengthen the staff in both quantity and quality, frequently reviewing and refining under central management in order to provide services and supports in a timely manner.

The work volume was systematically organized and allocated in a timely manner. Simultaneously, the Company reorganized operational structure to assign staff to undertake specific works and projects to ensure schedule and quality are met.

### 5. SOLIDIFY THE MOTTO

**“WHERE YOU PUT YOUR TRUST -  
WHERE YOU MAKE YOUR HOME”**

In 2015, in parallel with expediting communication through PR channel and the Internet, the Company carried out the policy of selling houses having complete legal framework, basic building and common facilities constructed and put in operation and providing supports to homebuyers to settle in...at Mega Residence, Mega Ruby, Mega Village, Melosa Garden and Lucasta. This confirms that Khang Dien is in fact “Where you put your trust - Where you make your home.”

The motto was solidified when Khang Dien was recognized as one of 200 excellent enterprises and awarded the Vietnam Gold Star Award 2015. This prize is a prestigious and honorable prize awarded by the Vietnam Youth Union, Vietnam Youth Federation and Vietnam Young Entrepreneurs Association.

### 6. HUMAN RESOURCE POLICIES

In addition to good salary, bonus and welfare, Khang Dien has offered its employees opportunities to become shareholders through the two ESOPs in 2015. The opportunities to become the Company's shareholders have increased employee's commitment and motivation, which will drive company growth

### 7. SOCIAL WELFARE POLICIES

Khang Dien not only produces high quality houses, but also actively participates in social activities, sharing community responsibilities, and making a contribution to better society.

In recent years, Khang Dien has sponsored many social care programs such as giving Tet presents to hospitals (including Cho Ray Hospital, Pham Ngoc Thach Hospital, Children's Hospital 1), donating to Binh Trieu Center for the handicapped and orphans, funding The Program on Dream Lighting, and visiting the poor in Tra Vinh, Long An provinces.

In performing these social activities, Khang Dien did not aim at business marketing but focused on humanity with the desire of making contributions to a better society.

**“The application of modern management discipline together with an energetic, experienced, qualified workforce will be the main resources for KHANG DIEN to successfully execute its business strategy”**

becoming a leading real estate company and maximizing shareholder value.





# RISK MANAGEMENT



Though Khang Dien achieves satisfactory business results for 2015, Khang Dien Management understands that its business performance and long-term development will be impacted by risks from the macro environment, the structure and nature of the real estate industry and the daily business operation.

**Having been interested in sustainable development, the Company has developed a list of key risks and accordingly established prudent risk management policies:**

## 1. MARKET RISK

The economy has gradually stabilized after years of volatility. Increasing consumer spending the recovery of the real estate market has driven many real estate developers to invest in new projects. Furthermore, the new real estate laws that make home ownership easier for foreigners have created stretched expectation of housing demand from Vietnamese overseas and foreigners. Many developers have launched high-class apartments and villas, targeting overseas Vietnamese and foreigners. The market holds a belief that many homes have been sold to Vietnamese overseas and foreigners even though the number of closed transactions has not been officially verified. This situation is compounded by continuous supply and demand changes, causing a complicated market situation. Moreover, income per capital or household in Ho Chi Minh city area, though among the highest in Vietnam, remains at relative low or average level, making it challenging for Khang Dien to sell high-class products.

### ► Risk Mitigation:

- Increase marketing and advertising programs on the channels popular to foreigners and overseas Vietnamese.
- Research the relevant laws to fine tune internal document processing turnaround, which helps accelerate contract drafting, sale closing, ownership certificate issuance for homebuyers.

- Research administrative procedures and link up with agencies to support overseas Vietnamese and foreigners handling document processing for house purchasing, making it easier and saving travel time.
- Adapt business strategy and corporate strategy to best suit changing business environment.

## 2. FINANCIAL RISK

As more investments are implemented, the Company will expand its operational scale, hire more staff and purchase more equipment, which increases operating expenses. In addition, that interest rate level in 2016 is expected to increase will lead to higher interest expense for the Company.

### ► Risk Mitigation:

- Establish prudent capital management process and procedures; control costs; effective use of capital.
- Apply prudent process and system of control on project and company cash flows; implement cash flow forecasts and reports.
- Restructure debts and reduce leverage.
- Form long-term partnerships with well-known financially strong commercial banks to mobilize long-term loans with low, fixed rates, giving the Company flexibility and stability in cash flow management.

## 3. PAYMENT RISK

The majority of homebuyers mortgage their houses, and a few of them can afford to buy houses with 100% equity. Therefore, it is prudent for the Company to capture homebuyers' equity as much and as soon as possible to effectively mitigate payment risk.

### ► Risk Mitigation:

- Launch promotion programs to encourage advanced and early payments from customers.
- Establish long-term partnership with well-known commercial banks to offer mortgage alternatives to homebuyers. These alternatives will be suitable for the majority of homebuyers, lowering payment risk.

## 4. INDUSTRY RISK:

Khang Dien Management pays special attention to the long-term structural changes in the real estate industry, especially the high-class villa and apartment segments in the geographical areas the Company launches projects, to understand the nature of market competition and consumer demands.

### ► Risk Mitigation:

- Frequent monitor and update the key success factors, strengths, weaknesses and strategic initiatives of the competitors.
- Continuous survey and dialogue with existing and potential customers to better understand changes in market demands.
- Adapt product development plans, marketing, sales and distribution strategies to best suit new market conditions.

## 5. LEGAL RISK

The year 2015 is the effective year of a series of new laws, namely Housing Law, Enterprise Law, Real Estate Business Law, and Investment Law. New laws require subsequent amendments of relevant process and procedures. Despite the new laws aims to simplify process and procedure, in reality,

it is challenging or even impossible to implement some new procedures, resulting in difficulties for enterprises and increased paperwork required for implementation. However, guidance documents have not been issued sufficiently, resulting in the suspension of some procedures that slow down the investment and operation of the real estate industry.

### ► Risk Mitigation:

- Closely monitor and update legal guidance documents; appoint legal affairs staff to be in charge and provide training for all functional departments.
- Active preparation of project's legal dossiers; sell houses only after the project meets lawful real estate business requirements.
- Active support and coordinate with homebuyers to resolve issues during the implementation of relevant procedures.

## 6. OPERATIONAL RISK:

Company Management pays close attention to the operational risk including communication system failure, key personnel turnover and loss of important information and documents essential to daily business operation.

### ► Risk Mitigation:

- Set up IT backup system.
- Frequent file and duplicate important documents and information.
- Issue policies regarding confidentiality and IT administration.
- Encourage employees to study and learn from experiences; provide career development while training substitutes.



# 2016 BUSINESS PLAN

**Building on the 2014 and 2015 success, in 2016 Khang Dien will continue to grow and maintain its market leading position in Ho Chi Minh City area.**

The macro outlook for 2016 is positive when the US is expected to maintain its growth trend while EU and Japan will continue their 2015 recovery. China's decelerating growth to a more stable rate, though impacts the general growth of the region, will contribute to the economic stability of the region. Accordingly, the macro outlook for Vietnam in 2016 will be as good as the macroeconomic situation in 2015 when the growth drivers remain the same (FDI investment, exports, industrial production, construction and domestic consumption). The ongoing low inflation (resulted from low oil and commodities prices) will continue and thus support a relative low interest rate level. However, USD appreciation and RMB depreciation can complicate the situation and create pressure on the VND, which may lead to VND interest rates to increase mildly, if any.

In that context, governmental policies in 2016 will continue to support domestic growth and Vietnam's

In view of the above factors, Company Management comes up with a business plan for 2016 as shown below:

## PROJECTS TO BE COMMERCIALIZED IN 2016

### 1. MEGA VILLAGE PROJECT

Mega Village project with of 5.7 hectares of land is located in Phu Huu Ward, District 9, on the Inner Ring Road and 600 meters away from the intersection with the Ho Chi Minh - Long Thanh - Dau Giay Highway.

Construction began in the 3rd quarter of 2014, and sale commenced in April 2015. As of to December 31, 2015, after 8 months of selling, more than 90% of the houses were sold. The 10% remaining is expected to be sold in the 1<sup>st</sup> quarter of 2016.

Mega Village's 323 houses have been fully constructed, a number of houses was handed over in 2015, and many residents have moved in. The remaining houses will be handed over in advance to the homebuyers in the 1<sup>st</sup> quarter of 2016. The home title of each house will be delivered to the owner in 2016.

integration into the global economy. Basically, there will be no major policy changes when the Government continues to maintain the pro-growth monetary and fiscal policies as well as the global integrating trade policy. As a result, the real estate industry in general and the housing market in particular will continue to benefit from these policies.

Accordingly, the housing market in Ho Chi Minh City area will continue to grow in 2016. In particular, increasing housing demand driven by the City's organic population growth and in-bound immigration, high consumer and investor confidence, and especially the infrastructure development and urbanization in the Eastern area of the City are the key supporting factors for the market in District 9. For example, Rach Chiec 2 Bridge, Ring Road No. 2, the up-coming Long Thanh - Dau Giay Highway Side Road, and Samsung electronics factory (USD 1 billion investment) and Harvard International University being built in the hi-tech park will drive housing demand in the adjacent areas, especially District 9.

### 2. MELOSA GARDEN PROJECT

Melosa Garden project with 17 hectares of land is located next to Mega Village. The project first stage would build 442 villas and attached gardened houses in the compound equipped with full facilities. The project was commenced in early 2015. After infrastructure, landscape, facilities and more than 100 houses were built out. Sales officially began in November 2015. As of December 31, 2015, after only two months of sales, nearly 100 houses were sold.

Currently, the Company is building the next 150 houses. The remaining 342 houses are expected to be sold out in 2016, and the hand-over and delivery of title book will be completed in the same year.



### 3. THE VENICA PROJECT

The Venica project with 3.1 hectares of land is located on Do Xuan Hop Street, facing the Side Road parallel with the HCMC - Long Thanh - Dau Giay Highway, in Phu Huu Ward, District 9 and bordering District 2. The project is built on a beautiful oasis surrounded by Rach Chiec river offering 43 five-star villas in a gated compound equipped with high-class facilities.

Currently, infrastructure, landscapes, facilities and 43 villas with title books ready are completed. The Venica project will officially be open for sales in April 2016.

### 4. LUCASTA PROJECT

Lucasta was an investment of the Company made in 2015.

Lucasta is the high-class eco-villa project with 140 detached villas and duplex villas that are finely designed and placed in a gated compound of beautiful landscape and high-class facilities.

After purchasing Lucasta in the 3rd quarter of 2015, the Company completed the project renovation and officially opened it for sales in the 4th quarter of 2015. Sales are expected to be completed in 2016.

### 5. THAP MUOI PROJECT

This was a new investment the Company made in 2015.

Thap Muoi project has 3 hectares land with 131 townhouses. The project is located on the Lien Phuong Street, Phu Huu Ward, District 9, in the East of the City where locates the dynamic real estate market with

well-known projects such as Villa Park, Mega Residence, Mega Ruby and more.

The project will be commenced in the 1st quarter of 2016 and expected to open for sales in the 3rd quarter of 2016.

## NEW INVESTMENT AND DEVELOPMENT PLAN

The investments in 2015 especially the acquisition of BCCI grew Khang Dien's clean land bank to more than 500 hectares in the East and the South of the City. These investments are the implementation of the overall investment plan for the 2015-2020 time period, which aims for product portfolio diversification in terms of locations, market segments, and product types.

Owning than 500 hectares of clean land, Khang Dien has asserted its position on the real estate market. During its operations, Khang Dien has always been keen on expanding its clean land bank in parallel with working on existing projects.

In 2016, Khang Dien will continue to search for and expand its clean land bank with the following criteria: transparent legal framework, reasonable price, and good location, which supports the long-term and sustainable development of the Company.

## PROFIT BOOKING IN 2016

In 2016 Khang Dien will execute the business related to the above mentioned projects with estimated more than 700 houses available for sales.

Total consolidated net profit after-tax in 2016 is expected at VND 400 billion, increased by 54% compared with that in 2015.





**JOINING HANDS  
BUILDING PROSPEROUS COMMUNITY**



# SUSTAINABILITY REPORT

As a public company Khang Dien understands that in addition to creating values to its shareholder, the Company has a duty to support the development of the community and protect the environment it operates in. Khang Dien has implemented its sustainable development strategy in each business decision to ensure sustainable economic growth, environmental protection, transparency and general development of the community.

Accordingly, Khang Dien always tries to balance the current customer needs with the responsibility for the future generation in daily business activities.

## SUSTAINABLE DEVELOPMENT DIRECTION

In order to implement the 2018 vision, the sustainable development strategy for Khang Dien will be implemented in 2 stages:

### 2012 - 2015: Building foundation

- Restructure the investment portfolio and develop new competitive product lines of “attached gardened villas in residential compound with 24/7 security, sufficient facilities, and reasonable price.”
- Implement a synchronized IT system and centralized customer database.
- Streamline the organization and focus on human resources quality.
- Expand sale network from Ho Chi Minh City to Hanoi.
- Standardize the brand identity system.
- Promote the brand through media and marketing strategies.
- Actively participate in community activities and corporate social responsibilities.
- Think highly of the environment and increase solutions towards environmental protection during project development from construction till commissioning of the residence.

### 2015 - 2018: Completing the development model and making breakthrough

- Improve product characterization and quality through each project and gain certain achievement when nearly 1,000 houses from Mega Residence, Mega Ruby, Mega Sapphire, Mega Village and Melosa Garden were sold out in nearly 2 years.
- Diversify product portfolio, develop high-class luxury villas and affordable apartments. Especially, the Company will build urban-complex of hundreds of hectares under Khang Dien brand.
- Provide professional customer services: pay special attention to and provide whole-hearted services to every single customer.
- Improve recruitment and training and complete the organizational structure.
- Initially develop an in-house professional sales force.
- Build up a stable and prestigious brand.
- Make significant improvements in revenue growth and operational efficiency.
- Promote professionalism and good internal teamwork
- Strengthen the Company brand and quality to improve the Company competitiveness in the field of real estate.

## SUSTAINABLE DEVELOPMENT ACTIVITIES

### 1. HUMAN RESOURCES DEVELOPMENT

With strong business acumen, sharp eyesight for opportunities, excellent administrative skills and a sound strategic vision, Company Management has been leading Khang Dien advance in firm steps with great achievements.

#### Human resource developing and training activities:

Staff training is essential for all business. With the aim of improving the capacity and professional skills of the employees, Khang Dien has encouraged and facilitated its employee to participate in short-term and ongoing training courses on professional skills such as project management, financial management, human resource management, internal control, IT, marketing, commerce and customer care etc. In addition to administrative skill training, the Company has facilitated the sale force to take training courses on feng shui, real estate appraisal, and business culture and so on to maintain their communication skills and persuasive skills at the highest level.

#### Contents and modes of training:

- On the job training applying to:
  - New comers: training contents include regulations and policies of Khang Dien and guidance on professional skills.
  - Job switching: training contents include guidance on profession and regulations of new working positions. Senior staff will mentor and train junior staff. This activity is frequently executed at all working positions.
- Internal training: skill training activities are frequently organized at Khang Dien. The training programs focus on regulations, process, new products and sales skills for relevant departments.
- External training: based on work requirement, employees will be selected for external training courses on leadership skills, management skills, teamwork skills, marketing and sales skills. Alternatively, Khang Dien will invite experts to train the staff on contract drafting skills, negotiating skills, communication skills, laws and regulations etc.

#### Recruitment policy:

Khang Dien considers human resources as its most valuable asset. The Company implements talent recruitment and retaining policies, creates healthy competitiveness and job attraction, and recognized and encourages individual contributions.

Khang Dien always hires and retains talents with appropriate policies and attractive packages, which creates favorable conditions for talented, dedicated staff to step up to demanding jobs, improve their qualifications, and advance in career in accordance with the Company’s human resources development strategy.

#### Policy for the future human resources development:

- Fine tune and apply personnel management methods.
- Develop job description for each position.
- Frequently carry out performance reviews and make reasonable adjustments.
- Develop leaders from young and dynamic employees.
- Appoint talented employees to management positions and assign works in consideration of strength and weakness of each employee.

#### Actual Result:

After a period of working and going through training, Khang Dien’s employees always perform their works well. Besides, they are capable to undertake multi tasks and positions at Khang Dien’s subsidiaries and collect more experience, meeting current personnel demands of the Company.

According to the annual key staff development plan, Khang Dien has appointed many employees to undertake managing positions in consideration of their qualifications, capacities, and leadership capability, lifting Khang Dien to a higher level.





## 2. ACTIONS FOR THE ENVIRONMENT

Being aware that construction works may have impacts on the environment and community, Khang Dien has issued instructions and regulations to effectively prevent environmental impacts during construction.

All bid dossiers for Khang Dien projects have been required to strictly comply with the environmental protection regulations and aim at building green-clean-beautiful communities.

The majority of Khang Dien's projects are large scale, and Khang Dien has always required the awarded contractors to apply labor incident preventive methods for the workers and the neighborhood to ensure safety during construction. Besides, Khang Dien has also implemented quality control solutions for the environment including the controls of polluted air, polluted water, dust, and noise to ensure compliance with regulations and actively handle complaints from local residents or the public.

Khang Dien has paid special attention to harmonious development of technical infrastructure and landscape. For any housing project, the majority of the land plot has been preserved for landscape and common facilities to bring quality living to the residents. Accordingly, the architects have skillfully designed these houses with an

emphasis on natural light, natural ventilation, and environmental friendly materials. Harmonious colors of the exteriors and broad balcony views have created a joyful living space in any residential compound - 24/7 security protection, swimming pools, tennis courts, Minimart, and café bars etc. Every part of the compound is in harmony with the green, open space perfectly combined with the surrounding rivers. Khang Dien has developed its projects in association with the natural ecosystem. The passion and commitment of Khang Dien have been put on each house and each landscape piece, delivering dreams of a perfect living space.

### Fundamental activities:

#### Building up a green, clean and scientific labor environment:

The awareness on environmental protection should derive from the building of a clean and fresh environment at the work place. Therefore, Khang Dien has implemented 5S documentation system in which documents can be selected, arranged, cleaned, maintained, and retrieved in a scientific manner to shorten the searching time, improving work efficiency and reducing wastes of papers, stationery that impacts the environment.

#### Applications of IT, electronic communication and reduce energy consumption:

Khang Dien has been requesting its subsidiaries and calling on its contractors to reduce management costs through rationale uses of power, water, and office stationery made from natural resources. In particular, the management and staff have been asked to save printing paper, recycle plastic stationery, and reduce the frequency of travelling by air and trains etc.

Besides, the Company has proposed energy saving solutions through broadening the applications of IT and electronic communication in daily business operation such as extensive uses of video conferences and advanced technology to communicate among distant parties instead of conducting common and traditional meetings, minimizing internal print publications and promoting emails and intranet, and encouraging the staff to use public transportation for daily commuting that are safer and releases less CO<sub>2</sub> gas to the environment.



More than 1,000 customers attend the party night "Thanks to Mega Community "Home Sweet Home" at Gem Center

## 3. CUSTOMER CARE ACTIVITIES

Khang Dien has paid special attention to maintaining good relationships with the customers. In addition to product and service quality, the Company establishes and maintains close relations with the customers, contributing to the brand name enhancement. Khang Dien has always focused on training the employees with customer care knowledge and skills to keep them happy. The customer care programs have been conducted frequently and periodically over the years.

The Company has put in place the process of providing information and answers to questions raised by customers through 24/7 customer care call-center in a prompt and timely manner.

For the Company's customers and residents, the Company has frequently organized annual customer care events such as parties for expressing gritudes, Mid-Autumn Festival activities, Christmas events etc.

Khang Dien determines that its sustainable business strategy must be developed on the foundation of customer trust. The Company objective is to provide the market with housing solutions that have transparent legal framework, reasonable price ranges, and quality of life, ensuring the Company motto of "building not only houses but also homes."



The Full moon festival hold at the Mega Residence of Khang Dien





**4. POLICY AND ADMINISTRATION IMPROVEMENT FOR SUSTAINABLE DEVELOPMENT**

Khang Dien always considers business administration a key factor for long-term sustainable development, creating the belief and trust in customers, investors and shareholders.

In addition to ensuring sufficient number of administrative bodies of a public company such as the General Meeting of Shareholders, the Board of Directors, and the Management Team, the Company’s administrative model has been implemented on the basis of harmonious combination of the following factors: firm administrative structure; administrative standards, and Vietnam’s practice and laws. Accordingly, Khang Dien has issued a system of internal regulations in order to have consistence in administrative policies and to control and supervise the transparency and efficiency of the business, maintaining shareholder value and balancing the benefits of the other stakeholders including the customers, the employees, and the community in the long-term. The Company has employed the following administrative principles:

- Transparency in all activities.
- Maintain stable and efficient operational structure.
- Treat stakeholders fairly and protect shareholder value.

The administrative model of Khang Dien ensures the sustainable development because it is built up on the basis of actual operations of the Company in compliance with the regulations and applicable laws. The frequent reviews of the administrative model have contributed to the supervision efficiency of Boards of Director. The Company has managed invested capitals at its subsidiaries through centralized administrative regulations in strategy, investment, risk management, checking and controlling the implementation of strategic duties, and coordination in business activities.

**5. LONG-TERM HARMONIOUS COOPERATION WITH PARTNERS**

In 2015, Khang Dien actively established strong relations with customers, shareholders, investors, media agencies, and the employees. Sustainable development has been also included in all communication with those parties in order to enhance the awareness as well as listen to the opinions of parties on the Company’s activities related to economic-social-environmental issues.

Khang Dien established such relations on the basis of the long-term benefits of the parties in the supply chain: designers, construction contractors, supervisory consultants and property managers. These relations are maintained based on the trust, transparency, and code of ethics of the Company in order to provide the customers with the best products and the most professional services. With the best efforts, Khang Dien has asserted its position as a leading company offering total real estate solutions and creating living quality for the customers.

Khang Dien has frequently facilitated foreign investors to visit the Company and its project sites. Accordingly, many investors have considered investments in Khang Dien to develop a series of projects, making Khang Dien a company having the largest foreign investment capital in the East of the city.



Investor Seminar - “KDH - THE NEW FACE”

**“ Khang Dien Goal:**

**Increase shareholder value through effective corporate governance, ensuring capital preservation and earnings growth for the Company.**

**6. IR AND CORPORATE GOVERNANCE ACTIVITIES IN 2015**

**IR activities:**

Khang Dien has provided to the public sufficient and transparent information through the frequent updating of important reports and company news that may have significant impacts on shareholder value through Khang Dien’s website and through filing necessary reports to the authorities such as the State Security Commission, the Ho Chi Minh Stock Exchange, and Vietnam Security Depository, which enables the shareholders to access the information quickly and easily.

Besides, Khang Dien has a dedicated department in charge of shareholder relations that can be reached through;

- *Direct phone calls*
- *Email: [info@khangdien.com.vn](mailto:info@khangdien.com.vn)*
- *Website: [www.khangdien.com.vn](http://www.khangdien.com.vn)*



**7. SOCIAL RESPONSIBILITY OF THE COMPANY - THE FOUNDATION FOR SUSTAINABLE DEVELOPMENT**

Although the economy in general and the real estate market in particular are still facing headwinds, in addition to the goal of creating prosperity to the shareholders and increasing the Company value, Khang Dien is one of companies having high social responsibility with the community and society. In recent years, Khang Dien has actively participated in social activities such as company sponsor and employee contributions to the programs on poverty elimination, programs supporting the residents living in flooded areas, and charitable activities for poor children launched by the local authorities.

Khang Dien will continue to make significant contributions to social activities, help out more difficult lives, and join hands in creating a fair and better life.

**Some remarkable activities**

Presenting gifts at Nhan Ai Hospital: This hospital provides curing and treating services for nearly 300 HIV patients in the final stage. Nhan Ai Hospital was established by Ho Chi Minh Department of Health and built at Phu Van mountainous commune, Bu Gia Map District, Binh Phuoc province.

With the “mutual affection” spirit, Khang Dien’s employees have, together with the Company, voluntarily donated gifts and financial aids to and visited the poor households in District 9 and remote areas.

Besides, Khang Dien participated in charitable activities such as making financial contribution to the procurement of medical equipment for Cho Ray Hospital and delivering presents to patients at Oncology Hospital.

Sponsoring the program titled “Sowing the seeds of desire” helping the students from the provinces with presents and scholarships and encourage them to try their best.



# CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2015

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### THE COMPANY

Khang Dien House Trading and Investment Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103006559 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 May 2007, as amended.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange with code KDH in accordance with Decision No. 11/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 21 January 2010.

The current principal activities of the Company are to trade and lease houses, receive land use rights to construct houses for sale and lease, invest in construction of infrastructure in compliance with houses construction scheme to transfer land use rights, undertake engineering and industrial construction works, and to provide real-estate consulting services.

The Company’s registered head office is located at Room 801, 8<sup>th</sup> Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Ly Dien Son	Chairman	
Ms Nguyen Thi Dieu Phuong	Member	
Ms Mai Tran Thanh Trang	Member	
Mr Nguyen Dinh Bao	Member	
Mr Le Hoang Son	Member	appointed on 11 September 2015
Ms Ho Thi Minh Thao	Member	resigned on 11 September 2015

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms Vuong Hoang Thao Linh	Head of the Board of Supervision	
Mr Dao Cong Dat	Member	appointed on 13 April 2015
Mr Tran Duc Thang	Member	resigned on 13 April 2015
Mr Hoang Manh Phong	Member	
Ms Le Thi Thu Huyen	Member	

### MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Ly Dien Son	General Director	
Ms Mai Tran Thanh Trang	Deputy General Director	
Mr Nguyen Dinh Bao	Deputy General Director	
Mr Nguyen Duc Trong	Deputy General Director	appointed on 1 July 2015
Ms Ngo Thi Mai Chi	Deputy General Director	appointed on 15 December 2015
Ms Ho Thi Minh Thao	Deputy General Director	resigned on 1 September 2015

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Ly Dien Son.

Ms Ngo Thi Mai Chi is authorised by Mr Ly Dien Son to sign the consolidated financial statements for the year ended 31 December 2015 in accordance with the Letter of Authorisation No. 02/2015/QD-KD dated 1 September 2015.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Management of Khang Dien House Trading and Investment Joint Stock Company (“the Company”) is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2015.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2015 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of Management:



Ly Dien Son  
General Director

29 March 2016



# INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Khang Dien House Trading and Investment Joint Stock Company

We have audited the accompanying consolidated financial statements of Khang Dien House Trading and Investment Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as prepared on 20 March 2016 and set out on pages 73 to 116 which comprise the consolidated balance sheet as at 31 December 2015, and the consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto.

## Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2015, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Duong Le Anthony  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 2223-2013-004-1

Ho Chi Minh City, Vietnam  
29 March 2016

Ngo Bui Quoc Dat  
Auditor  
Audit Practicing Registration Certificate  
No. 2198-2013-004-1

B01-DN/HN

# CONSOLIDATED BALANCE SHEET

as at 31 December 2015

VND'000

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>7,635,495,663</b>	<b>3,083,157,744</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>6</b>	<b>982,506,232</b>	<b>434,688,706</b>
111	1. Cash		327,058,577	211,288,706
112	2. Cash equivalents		655,447,655	223,400,000
<b>120</b>	<b>II. Short-term investment</b>		<b>44,010,000</b>	-
123	1. Held-to-maturity investments		44,010,000	-
<b>130</b>	<b>III. Current accounts receivable</b>		<b>653,811,135</b>	<b>536,741,146</b>
131	1. Short-term trade receivables	7.1	140,792,661	113,468,170
132	2. Short-term advances to suppliers	7.2	437,470,264	2,501,790
136	3. Other short-term receivables	8	79,296,364	420,871,186
137	4. Provision for short-term doubtful receivables	7.1	(3,748,154)	(100,000)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>5,865,283,119</b>	<b>2,074,964,465</b>
141	1. Inventories		5,865,283,119	2,074,964,465
<b>150</b>	<b>V. Other current assets</b>		<b>89,885,177</b>	<b>36,763,427</b>
151	1. Short-term prepaid expenses		19,048,337	1,684,066
152	2. Value-added tax deductible		70,561,966	34,812,140
153	3. Tax and other receivables from the State		274,874	267,221
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>906,074,642</b>	<b>37,427,950</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>102,943,172</b>	<b>2,214,844</b>
211	1. Long-term trade receivables	7.1	87,740,748	-
212	2. Long-term advances to suppliers	7.2	7,776,784	-
216	3. Other long-term receivables	8	15,211,640	2,214,844
219	4. Provision for doubtful long-term receivables	8	(7,786,000)	-
<b>220</b>	<b>II. Fixed assets</b>		<b>31,676,523</b>	<b>4,374,044</b>
221	1. Tangible fixed assets	10	31,570,764	4,374,044
222	Cost		87,696,935	10,345,174
223	Accumulated depreciation		(56,126,171)	(5,971,130)
227	2. Intangible fixed assets	11	105,759	-
228	Cost		1,786,749	84,000
229	Accumulated amortisation		(1,680,990)	(84,000)
<b>230</b>	<b>III. Investment properties</b>	<b>12</b>	<b>84,913,865</b>	-
231	1. Cost		131,865,214	-
232	2. Accumulated depreciation		(46,951,349)	-
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>439,962,190</b>	-
242	1. Construction in progress	13	439,962,190	-
<b>250</b>	<b>V. Long-term investments</b>	<b>14</b>	<b>226,571,499</b>	<b>14,000,000</b>
252	1. Investments in associates		210,515,935	-
253	2. Investment in other entity		17,135,455	14,000,000
254	3. Provision for diminution in value of long-term investments		(1,079,891)	-
<b>260</b>	<b>VI. Other long-term assets</b>		<b>20,007,393</b>	<b>16,839,062</b>
261	1. Long-term prepaid expenses		4,467,670	2,036,405
262	2. Deferred tax assets	28.3	2,570,376	3,948,171
269	3. Goodwill	16	12,969,347	10,854,486
<b>270</b>	<b>TOTAL ASSETS</b>		<b>8,541,570,305</b>	<b>3,120,585,694</b>



CONSOLIDATED  
BALANCE SHEET (continued)

as at 31 December 2015

B01-DN/HN

VND'000

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>4,356,225,615</b>	<b>1,584,343,502</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,023,700,324</b>	<b>482,216,683</b>
311	1. Short-term trade payables	17.1	48,948,085	17,693,556
312	2. Short-term advances from customers	17.2	500,980,970	77,899,898
313	3. Statutory obligations	18	91,873,634	38,938,575
314	4. Payables to employees		6,862,257	-
315	5. Short-term accrued expenses	19	50,044,620	27,155,043
318	6. Short-term unearned revenues	20	2,600,794	-
319	7. Other short-term payables	21	88,846,528	85,892,753
320	8. Short-term loans	22	218,819,525	224,031,600
322	9. Bonus and welfare fund		14,723,911	10,605,258
<b>330</b>	<b>II. Non-current liabilities</b>		<b>3,332,525,291</b>	<b>1,102,126,819</b>
331	1. Long-term trade payables	17.1	50,657,501	-
332	2. Long-term advances from customers	17.2	82,010,966	-
333	3. Long-term accrued expenses	19	106,699,017	-
336	4. Long-term unearned revenues	20	208,197,968	-
337	5. Other long-term liabilities	21	118,060,269	-
338	6. Long-term loans and debts	22	2,699,216,325	1,064,730,534
341	7. Deferred tax liabilities	28.3	65,914,288	36,973,501
342	8. Long-term provisions		1,768,957	422,784
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>4,185,344,690</b>	<b>1,536,242,192</b>
<b>410</b>	<b>I. Capital</b>		<b>4,185,344,690</b>	<b>1,536,242,192</b>
411	1. Share capital	23.1	1,800,000,000	750,000,000
411a	- Shares with voting rights		1,800,000,000	750,000,000
412	2. Share premium	23.1	1,159,914,160	604,692,160
418	3. Investment and development fund	23.1	34,915,354	34,915,354
421	4. Undistributed earnings	23.1	269,299,402	108,871,758
421a	- Undistributed earnings up to the end of prior year		8,071,758	6,762,644
421b	- Undistributed earnings of current year		261,227,644	102,109,114
429	5. Non-controlling interests		921,215,774	37,762,920
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>8,541,570,305</b>	<b>3,120,585,694</b>

Nguyen Tran Cam Hien  
Preparer  
29 March 2016

Tra Thanh Tra  
Chief Accountant



Ngô Thị Mai Chi  
Deputy General Director

B02-DN/HN

CONSOLIDATED  
INCOME STATEMENT

for the year ended 31 December 2015

VND'000

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	24.1	1,051,919,567	630,829,839
02	2. Deductions	24.1	(1,979,159)	(9,751,132)
10	3. Net revenue from sale of goods and rendering of services	24.1	1,049,940,408	621,078,707
11	4. Cost of goods sold and services rendered	25	(712,293,831)	(530,324,691)
20	5. Gross profit from sale of goods and rendering of services		337,646,577	90,754,016
21	6. Finance income	24.2	79,355,805	113,786,204
22	7. Finance expenses	26	(59,149,887)	(49,654,151)
23	- In which: Interest expense		(8,513,956)	(35,098,794)
24	8. Share of profit (loss) of associates		14,909,885	(4,492,283)
25	9. Selling expenses		(61,982,142)	(27,618,868)
26	10. General and administrative expenses		(76,331,379)	(35,216,057)
30	11. Operating profit		234,448,859	87,558,861
31	12. Other income	27	105,972,532	17,637,533
32	13. Other expenses	27	(16,099,085)	(310,748)
40	14. Other profit	27	89,873,447	17,326,785
50	15. Accounting profit before tax		324,322,306	104,885,646
51	16. Current corporate income tax expense	28.2	(47,325,157)	(19,349,716)
52	17. Deferred income tax expense	28.3	(1,492,591)	(22,724,400)
60	18. Net profit after tax		275,504,558	62,811,530
61	19. Net profit after tax attributable to shareholders of the parent		260,418,673	102,109,114
62	20. Net profit (loss) after tax attributable to non-controlling interests		15,085,885	(39,297,584)
70	21. Basic earnings per share	30	2.08	1.61
71	22. Diluted earnings per share	30	2.08	1.61

Nguyen Tran Cam Hien  
Preparer  
29 March 2016

Tra Thanh Tra  
Chief Accountant



Ngô Thị Mai Chi  
Deputy General Director



# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2015

B03-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Previous year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	Profit before tax		324,322,306	104,885,646
Adjustments for:				
02	Depreciation (including amortisation of goodwill)	10, 12, 16	2,800,949	2,765,976
03	Provision		1,513,155	-
05	Profits from investing activities		(193,071,126)	(114,605,375)
06	Interest expenses	26	8,513,956	35,098,794
08	<b>Operating profit before changes in working capital</b>		<b>144,079,240</b>	<b>28,145,041</b>
09	Decrease in receivables		369,718,642	557,792,213
10	Increase in inventories		(454,600,244)	(306,028,135)
11	Increase in payables		202,068,201	51,267,551
12	Increase in prepaid expenses		(19,795,536)	(2,782,208)
14	Interest paid		(19,285,993)	(88,874,572)
15	Corporate income tax paid	28.2	(34,888,013)	(19,657,152)
17	Other cash outflows from operating activities		(2,466,657)	(385,376)
20	<b>Net cash flows from operating activities</b>		<b>184,829,640</b>	<b>219,477,362</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	Purchase of fixed assets		(7,924,229)	(1,314,957)
22	Proceeds from disposal of fixed assets		2,596,182	-
25	Payments for investments in other entities (net of cash acquired)		(2,111,911,540)	(603,658,514)
26	Proceeds from sale of investments in other entities		111,080,340	281,761,360
27	Interest and dividends received		12,144,584	7,796,675
30	<b>Net cash flows used in investing activities</b>		<b>(1,994,014,663)</b>	<b>(315,415,436)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
31	Issuance of new shares		1,605,786,551	430,747,351
33	Drawdown of borrowings		2,798,056,427	332,311,628
34	Repayment of borrowings		(1,946,055,857)	(320,949,752)
36	Dividend paid		(100,784,572)	-
40	<b>Net cash flows from financing activities</b>		<b>2,357,002,549</b>	<b>442,109,227</b>

# CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 31 December 2015

B03-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash and cash equivalents		547,817,526	346,171,153
60	Cash and cash equivalents at beginning of year		434,688,706	88,517,553
70	Cash and cash equivalents at end of year	6	982,506,232	434,688,706



Nguyen Tran Cam Hien  
Preparer  
29 March 2016



Tra Thanh Tra  
Chief Accountant



Ngô Thị Mai Chi  
Deputy General Director



## 1. CORPORATE INFORMATION

Khang Dien House Trading and Investment Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103006559 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City on 2 May 2007, as amended.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange with code KDH in accordance with Decision No. 11/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 21 January 2010.

The current principal activities of the Company are to trade and lease houses, receive land use right to construct houses for sale and lease, invest in construction of infrastructure in compliance with houses construction scheme to transfer land use right; undertake engineering and industrial construction works; and to provide real-estate consulting.

The Company’s head office is located at Room 801, 8th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.

The number of Group’s employees as at 31 December 2015 was 221 (31 December 2014: 74).

### Corporate structure

The Company’s corporate structure includes 21 subsidiaries, as follows:

Nha Pho Investment Company Limited (“NP”), a limited liability company with two or more members in which the Group holds 99.9% ownership interest, was established in accordance with Business Registration Certificate No. 0312519827 issued by the DPI of Ho Chi Minh City on 24 October 2013, as amended. NP’s registered office is located at Room 801, 8th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of NP are to trade real estate properties and land use rights. On 15 October 2015, NP received amended Business Registration Certificate from the DPI of Ho Chi Minh City which approved the increase in charter capital from VND’000 100,000,000 to VND’000 430,000,000. Accordingly, the Company’s contribution in the charter capital of NP was proportionally increased. NP’s projects were pledged to obtain loans from banks (*Note 22*).

Tri Minh Real Estate Trading and Investment Joint Stock Company (“TM”), a shareholding company in which the Group holds 99.8% ownership interest, was established in accordance with Business Registration Certificate No. 4102065033 issued by the DPI of Ho Chi Minh City on 14 August 2010, as amended. TM’s registered office is located at Room 801, 8th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of TM are to trade real estate properties; develop civil construction projects and undertake engineering works. TM’s project was pledged to obtain a loan from a bank (*Note 22*).

Gia Phuoc Real Estate Trading and Investment Company Limited (“GP”), a limited liability company with two or more members in which the Group holds 99.9% ownership interest, was established in accordance with Business Registration Certificate No. 4102051945 issued by the DPI of Ho Chi Minh City on 10 July 2007, as amended. GP’s registered office is located at Room 801, 8th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of GP are to trade houses; construct infrastructure of industrial park; invest in construction, trade residential area, lease out houses and warehouses; and develop civil industrial commercial and cultural construction projects. On 12 January 2015, GP received amended Business Registration Certificate from the Department of Planning and Investment of Ho Chi Minh City which approved the increase in charter capital from VND’000 46,000,000 to VND’000 250,000,000. Accordingly, the Company’s contribution in the charter capital of GP was proportionally increased. GP’s project was pledged to obtain a loan from a bank (*Note 22*).

## 1. CORPORATE INFORMATION (continued)

### Corporate structure (continued)

Spring Sai Gon Real Estate Trading Joint Stock Company (“SGMX”), formerly Khang Dien Sai Gon Real Estate Joint Stock Company, a shareholding company in which the Group holds 99.8% ownership interest, was established in accordance with Business Registration Certificate No. 4103003229 issued by the DPI of Ho Chi Minh City on 24 March 2005, as amended. SGMX’s registered office is located at 17 Tran Nao Street, Quarter 2, An Binh Ward, District 2, Ho Chi Minh City, Vietnam. The principal activities of SGMX are to trade real estate properties, develop civil construction projects and undertake engineering works.

International Consulting Co., Ltd. (“QT”), a limited liability company with two or more members in which the Group holds 99.9% ownership interest, was established in accordance with Business Registration Certificate No. 4102002672 issued by the DPI of Ho Chi Minh City on 30 October 2000, as amended. QT’s registered office is located at PakSky Building, 123 Nguyen Dinh Chieu Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of QT are to consult, construct and trade real estate properties. On 26 March 2015, QT received amended Business Registration Certificate from the Department of Planning and Investment of Ho Chi Minh City which approved the increase in charter capital from VND’000 59,448,572 to VND’000 90,000,000. Accordingly, the Company’s contribution in the charter capital of QT was proportionally increased. QT’s project was pledged to obtain a loan from a bank (*Note 22*).

Long Phuoc Dien Housing and Infrastructure Development Company Limited (“LPD”), a limited liability company with two or more members in which the Group holds 99.95% ownership interest, was established in accordance with Business Registration Certificate No. 4102033561 issued by the DPI of Ho Chi Minh City on 30 September 2005, as amended. LPD’s registered office is located at Room 801, 8th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of LPD are to trade houses, develop civil construction projects, undertake civil engineering works, conduct outdoor and interior decoration and site levelling, and trade construction materials. LPD’s project was pledged to obtain a loan from a bank (*Note 22*).

Hao Khang One Member Company Limited (“HK”), formerly Hao Khang Company Limited, a limited liability company with one member in which the Group holds 100% ownership interest, was established in accordance with Business Registration Certificate No. 4102046935 issued by the DPI of Ho Chi Minh City on 18 January 2007, as amended. HK’s registered office is located at Room 801, 8th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of HK are to construct and trade real estate properties.

Sapphire Real Estate Investment and Trading Company Limited (“SP”), a limited liability company with two or more members in which the Group holds 99.9% ownership interest, was established in accordance with Business Registration Certificate No. 0312898068 issued by the DPI of Ho Chi Minh City on 20 August 2014, as amended. SP’s registered office is located at 8th Floor, Loyal Building, 151 Vo Thi Sau Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of SP are to trade real estate properties. SP’s project was pledged to obtain a loan from a bank (*Note 22*).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 1. CORPORATE INFORMATION (continued)

#### Corporate structure (continued)

Lien Minh Real Estate Trading and Investment Company Limited (“LM”), a limited liability company with two or more members in which the Group holds 99.7% ownership interest, was established in accordance with Business Registration Certificate No. 0312818979 issued by the DPI of Ho Chi Minh City on 13 June 2014, as amended. LM’s registered office is located at 117-119 Ly Chinh Thang Street, Ward 7, District 3, Ho Chi Minh City, Vietnam. The principal activity of LM is to trade real estate properties.

Song Lap Real Estate Trading and Investment Company Limited (“SL”), a limited liability company with two or more members in which the Group holds 99.7% ownership interest, was established in accordance with Business Registration Certificate No. 0312582949 issued by the DPI of Ho Chi Minh City on 10 December 2013, as amended. SL’s registered office is located at Room 801, 8<sup>th</sup> Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activity of SL is to trade real estate properties. SL’s project was pledged to obtain a loan from a bank (*Note 22*).

Tri Kiet Real Estate Trading and Investment Company Limited (“TK”), a limited liability company with two or more members in which the Group holds 99.9% ownership interest, was established in accordance with Business Registration Certificate No. 4102014172 issued by the DPI of Ho Chi Minh City on 26 February 2003, as amended. TK’s registered office is located at Room 801, 8<sup>th</sup> Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of TK are to trade real estate properties, develop civil construction projects and undertake engineering works.

Mega City Company Limited (“MG”), a limited liability company with two or more members in which the Group holds 99.85% ownership interest, was established in accordance with Business Registration Certificate No. 4102046748 issued by the DPI of Ho Chi Minh City on 12 January 2007, as amended. MG’s registered office is located at Room 801, 8<sup>th</sup> Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activity of MG is to trade real estate properties.

Vi La Joint Stock Company (“Vi La”), a shareholding company in which the Group holds 99% ownership interest, was established in accordance with Business Registration Certificate No. 0310332686 issued by the DPI of Ho Chi Minh City on 21 September 2010, as amended. Vi La’s registered office is located at 85A Phan Ke Binh Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. The principal activities of Vi La are to trade real estate properties, develop civil and industrial construction projects and provide real estate consulting and brokerage services.

Thap Muoi House Trading and Construction Company Limited (“THM”), a limited liability company with two or more members in which the Group holds 99.8% ownership interest, was established in accordance with Business Registration Certificate No. 0302241636 issued by the DPI of Ho Chi Minh City on 6 April 2015, as amended. THM’s registered office is located at 56-58 Phu Tho Street, Ward 2, District 11, Ho Chi Minh City, Viet Nam. The principal activity of THM is to trade real estate properties. THM’s project was pledged to obtain a loan from a bank (*Note 22*).

Viet Huu Phu Company Limited (“VHP”), a limited liability company with two or more members in which the Group holds 99% ownership interest, was established in accordance with Business Registration Certificate No. 0313041815 issued by the DPI of Ho Chi Minh City on 5 December 2014, as amended. VHP’s registered office is located at 6<sup>th</sup> Floor, 155 Hai Ba Trung Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. VHP’s principal activities are to trade real estate properties.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 1. CORPORATE INFORMATION (continued)

#### Corporate structure (continued)

Khong Gian Xanh Real Estate Investment and Trading Company Limited (“KGX”), a limited liability company with two or more members in which the Group holds 98.01% ownership interest, was established in accordance with Business Registration Certificate No. 0309314308 issued by the DPI of Ho Chi Minh City on 20 August 2009, as amended. KGX’s registered office is located at 4<sup>th</sup> Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. KGX’s principal activities are to trade real estate properties. KGX’s project was pledged to obtain loans from banks (*Note 22*).

Binh Trung Real Estate Investment and Trading Company Limited (“BT”), a limited liability company with two or more members in which the Group holds 99.8% ownership interest, was established in accordance with Business Registration Certificate No. 0312624317 issued by the DPI of Ho Chi Minh City on 14 January 2014, as amended. BT’s registered office is located at 155 Hai Ba Trung Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. VHP’s principal activities are to trade real estate properties. BT’s principal activities are to trade real estate properties. BT’s project was pledged to obtain a loan from a bank (*Note 22*).

Binh Chanh Construction Investment Joint Stock Company (“BCCI”), a shareholding company in which the Group holds 57.31% ownership interest, was incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 056668 issued by the DPI of Ho Chi Minh City on 24 December 1999, as amended. BCCI’s shares were listed on HOSE with trading code BCI in accordance with Decision No. 128/QD-SGDHCM issued by HOSE on 25 December 2008. BCCI’s registered office is located at No. 550 Kinh Duong Vuong Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam. BCCI’s principal activities are to develop and trade real estate properties including house, land use rights and infrastructure, to provide construction consulting, site clearance and brokerage on land properties.

BCI Corporation (“BCI”), a joint stock company in which the Group holds 57.31% ownership interest, was established in accordance with Business Registration Certificate No. 4103009299 issued by the DPI of Ho Chi Minh City on 31 January 2008, as amended. BCI’s registered office is located at No. 510 Kinh Duong Vuong Street, An Lac A Ward, Binh Tan District, Ho Chi Minh City, Vietnam. BCI’s principal activities are to invest and trade real estate properties.

BCCI Development Investment Company Limited (“DVI”), a one member limited liability company in which the Group holds 57.31% ownership interest, was established in accordance with Business Registration Certificate No. 0312212779 issued by the DPI of Ho Chi Minh City on 1 April 2013, as amended. DVI’s registered office is located at No. 550 Kinh Duong Vuong Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam. DVI’s principal activities are to trade real estate properties and farming.

Kim Phat Real Estate Investment and Trading Company Limited (“KP”), a limited liability company with two or more members in which the Group holds 99.9% ownership interest, was established in accordance with Business Registration Certificate No. 0313018164 issued by the DPI of Ho Chi Minh City on 28 November 2014, as amended. KP’s registered office is located at 123 Nguyen Dinh Chieu Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. KP’s principal activities are to trade real estate properties.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 2. BASIS OF PREPARATION

#### 2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiaries (“the Group”) expressed in thousands of Vietnam dong (“VND’000”), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

#### 2.2 Applied accounting documentation system

The Group’s applied accounting documentation system is the Voucher Journal and the General Journal system.

#### 2.3 Fiscal year

The Group’s fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

#### 2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group’s accounting currency.

#### 2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company’s shareholders and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from the parent shareholders’ equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in retained earnings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Change in accounting policies and disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014 except for the changes in the accounting policies in relation to the following:

##### *Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system*

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system (“Circular 200”) replacing Decision No. 15/2006/QD-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial year beginning on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group are applied on a prospective basis as Circular 200 does not required for retrospective application. The Group also reclassifies certain corresponding figures of prior year following the presentation of the current year’s consolidated financial statements in accordance with Circular 200 as disclosed in Note 32.

##### *Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements*

On 22 December 2014, the Ministry of Finance issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements (“Circular 202”) replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on a prospective as this Circular does not require for retrospective application.

#### 3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly-liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### 3.3 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and NRV.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

#### 3.5 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and amortisation.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When fixed assets are sold or retired, their costs and accumulated depreciation or amortisation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

#### 3.6 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset

##### *Where the Group is the lessee*

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

##### *Where the Group is the lessor*

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

#### 3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Leasehold improvements	5 years
Machinery and equipment	3 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 years
ISO certificate and computer software	3 - 10 years

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Factories	25 – 46 years
Infrastructure	25 – 46 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

#### 3.9 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

#### 3.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

#### 3.11 Investments

##### *Investments in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint venture. The Group generally deems they have significant influence if they have from and above 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 Investments (continued)

##### *Investments in associates (continued)*

The share of post-acquisition profit (loss) of the associates is presented on the face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend received from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *Provision for investments*

Provision is made for any diminution in value of the investments in capital of other entities at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated financial statements and deducted against the value of such investments.

#### 3.12 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

#### 3.13 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting year for all employees who have been being in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the six-month period up to the balance sheet date. Any changes to the accrued amount will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or in-depth investments.

- *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

#### 3.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of completed property*

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

##### *Rental income*

Rental income arising from operating leases is recorded to the consolidated income statement and accounted for on a straight-line basis over the terms of the lease.

##### *Rendering of services*

Revenues are recognised upon completion of the services provided.

##### *Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 Taxation

##### Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

##### Deferred income tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17 Earnings per share

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

#### 3.18 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Group's revenue and profit are derived mainly from real estate business in Vietnam while other sources of revenue are not material as a whole, the management accordingly believed that the Group operates in a sole business segment of real estate. Geographical segment of the Group is in Vietnam only.

### 4. PROPERTY ACQUISITION

During the year, the Group acquired 99.8% ownership interest in THM, 99.9% ownership interest in BT, and 99.9% ownership interest in KP. These acquisitions were approved by the Board of Directors and the DPI of Ho Chi Minh City. Details are as follows:

Name	Date of acquisition	% of interest	Cost of acquisition
			VND'000
THM	2 April 2015	99.8%	182,447,824
BT	31 July 2015	99.8%	228,522,445
KP	23 December 2015	99.9%	99,900,000
<b>TOTAL</b>			<b>510,870,269</b>

The Group's management assessed that the cost of acquisition represents the fair value of the land owned by newly-acquired subsidiaries. Management treated this acquisition as asset acquisition rather than as business combination since this real estate subsidiary is not commercially operating and only have land and project for future development.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 5. BUSINESS ACQUISITION

#### 5.1 Acquisition of KGX - VHP

On 31 July 2015, the Group acquired 99% ownership interest in VHP, a limited liability company with two or more members established in accordance with Business Registration Certificate No. 0313041815 issued by the DPI of Ho Chi Minh City on 5 December 2014, as amended. VHP's principal activities are to trade real estate properties. The Group has acquired VHP to expand its business.

On the same day, the Group acquired 98.01% ownership interest in KGX, a limited liability company with two or more members established in accordance with Business Registration Certificate No. 0309314308 issued by the DPI of Ho Chi Minh City on 20 August 2009, as amended. KGX's principal activities are to trade real estate properties. The Group has acquired KGX to expand its business.

The fair value of the identifiable assets and liabilities of VHP and KGX as at the date of acquisition were as follows:

	VND'000
	<i>Fair value recognized on acquisition</i>
<b>Assets</b>	
Cash	7,211,849
Current account receivables	50,053,911
Inventories	600,467,000
Other current assets	4,969,804
Fixed assets	85,448
Long-term investment	222,282,585
Other long-term assets	4,100
<b>Liabilities</b>	
Current liabilities	62,069,351
Non-current liabilities	301,620,492
<b>Total identifiable net assets at fair value</b>	<b>521,384,854</b>
Non-controlling interest	(5,213,847)
Negative goodwill arising on acquisition	(41,882,597)
<b>Purchase consideration transferred</b>	<b>474,288,410</b>
	<i>VND'000</i>
<b>Cash flow on acquisition</b>	
Net cash acquired with the subsidiary	7,211,849
Cash paid	(474,288,410)
<b>Net cash flow on acquisition</b>	<b>(467,076,561)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 5. BUSINESS ACQUISITION (continued)

#### 5.2 Acquisition of BCCI

On 23 September 2015 and 3 December 2015, the Company acquired 20.41% and 36.9% ownership interest in Binh Chanh Construction Investment Joint Stock Company ("BCCI"), respectively. Accordingly, its ownership interest in BCCI was 57.31% at the balance sheet date. BCCI's principal activities are to develop and trade real estate properties including house, land use rights and infrastructure, to provide construction consulting, site clearance and brokerage on land properties. The Group has acquired BCCI to expand its business.

The fair value of the identifiable assets and liabilities of BCCI as at the date of acquisition were as follows:

	VND'000
	<i>Fair value recognized on acquisition</i>
<b>Assets</b>	
Cash	84,033,954
Short-term investments	73,500,000
Current account receivables	79,046,522
Inventories	2,347,054,804
Other current assets	12,883,169
Long-term receivables	112,656,271
Fixed assets	24,116,905
Investment properties	89,709,249
Long-term assets in progress	447,290,460
Long-term investments	209,635,866
Other long-term assets	4,093,722
<b>Liabilities</b>	
Current liabilities	386,625,922
Non-current liabilities	914,443,515
<b>Total identifiable net assets at fair value</b>	<b>2,182,951,485</b>
Non-controlling interest	(931,901,989)
Negative goodwill arising on acquisition	(57,928,431)
<b>Purchase consideration</b>	<b>1,193,121,065</b>
	<i>VND'000</i>
<b>Cash flow on acquisition</b>	
Net cash acquired with the subsidiary	84,033,954
Cash paid	(1,146,374,718)
<b>Net cash flow on acquisition</b>	<b>(1,062,340,764)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 6. CASH AND CASH EQUIVALENTS

VND'000

	Ending balance	Beginning balance
Cash on hand	3,462,062	2,615,765
Cash in banks	323,596,515	208,672,941
Cash equivalents (*)	655,447,655	223,400,000
<b>TOTAL</b>	<b>982,506,232</b>	<b>434,688,706</b>

(\*) Cash equivalents represent short-term bank deposits with maturity of less than three months which are readily convertible into known amount of cash without any significant risk of changes in value and earn interest at the rate from 4% to 5.5% per annum.

Cash equivalent amounting to VND'000 4,300,000 were pledged as collateral for Guarantee Letter from Saigon Thuong Tin Commercial Joint Stock Bank (Note 22).

### 7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

#### 7.1 Trade receivables

VND'000

	Ending balance	Beginning balance
Short-term		
Trade receivables from customers	139,515,898	113,468,170
Trade receivables from a related party (Note 29)	1,276,763	-
	140,792,661	113,468,170
Long-term		
Trade receivables from customers	87,740,748	-
<b>TOTAL</b>	<b>228,533,409</b>	<b>113,468,170</b>
Provision for short-term doubtful receivables	(3,748,154)	(100,000)
<b>NET</b>	<b>224,785,255</b>	<b>113,368,070</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 6. CASH AND CASH EQUIVALENTS (continued)

#### 7.2 Advances to suppliers

VND'000

	Ending balance	Beginning balance
Short-term		
Advances to subcontractors	117,934,860	2,501,790
- Hoa Loc Vung Real Estate Trading and Investment Company Limited	38,250,000	-
- Others	79,684,860	2,501,790
Advance for transfer of land use rights	78,869,078	-
Advance to a related party (Note 29)	240,666,326	-
	437,470,264	2,501,790
Long-term		
Advances to subcontractors	7,776,784	-
<b>TOTAL</b>	<b>445,247,048</b>	<b>2,501,790</b>

### 8. OTHER RECEIVABLES

VND'000

	Ending balance	Beginning balance
Short-term		
Provisional corporate income tax (*)	61,717,678	60,744,894
Advance to employees	4,961,477	171,923
Receivables under Investment Cooperation Contracts ("ICC")	-	257,000,000
- Loc Duc Investment Company Limited	-	137,000,000
- Dong Thanh Real Estate Trading Investment Company Limited	-	120,000,000
Others	12,617,209	102,954,369
	79,296,364	420,871,186
Long-term		
Advance to employees	11,634,814	-
Others	3,576,826	2,214,844
	15,211,640	2,214,844
<b>TOTAL</b>	<b>94,508,004</b>	<b>423,086,030</b>
In which:		
Other receivables from other parties	94,411,476	326,946,606
Other receivables from related parties (Note 29)	96,528	96,139,424
Provision for long-term doubtful receivables	(7,786,000)	-
<b>NET</b>	<b>86,722,004</b>	<b>423,086,030</b>

(\*) In accordance with Circular No. 96/2014/TT-BTC issued by the Ministry of Finance on 22 June 2015 which provides guidelines for implementation of the Law on Corporate Income Tax, the Company is entitled to provisionally pay tax at the rate of 22% on turnover received by cash from its customers less corresponding expenses.



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FINANCIAL STATEMENTS (continued)

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9. INVENTORIES

VND'000

	Ending balance	Beginning balance
Work in process (i)	5,853,216,021	2,074,964,465
Merchandise goods	11,780,466	-
Raw material	286,632	-
<b>TOTAL</b>	<b>5,865,283,119</b>	<b>2,074,964,465</b>

(i) Work in process comprise on-going projects to develop the following residential land properties:

VND'000

	Ending balance	Beginning balance
Song Lap Phu Huu ("Melosa") (*)	930,704,865	662,597,254
Khong Gian Xanh Phu Huu ("Lucasta") (*)	645,075,242	-
BCCI - Tan Tao Residential Zone	577,368,750	-
BCCI - 4th Resettlement Zone Phong Phu	461,770,747	-
BCCI - An Lac Building	390,559,972	-
BCCI - 11A Residential Zone	380,387,975	-
Quoc Te Phu Huu (*) ("The Venica")	257,785,201	132,687,535
Khang Dien Long Truong (*)	254,542,941	229,297,030
Binh Trung - Binh Trung Dong (*)	246,000,577	-
Nha Pho Building (*)	214,680,523	-
BCCI - 2 <sup>nd</sup> Resettlement Zone Phong Phu	197,782,000	-
BCCI - An Duong Vuong	196,646,000	-
Tri Minh Phu Huu (*) ("Mega Village")	187,511,538	296,301,924
Nha Pho Phu Huu (*)	171,893,431	160,756,951
Saphire Phu Huu (*)	160,158,691	131,944,552
Thap Muoi Phuoc Long B (*)	134,532,635	-
Gia Phuoc Phu Huu (*)	86,308,339	73,813,496
Long Phuoc Dien Long Truong (*)	83,905,897	83,905,897
Vi La Long Truong (*)	62,879,578	62,879,578
Others	212,721,119	240,780,248
<b>TOTAL</b>	<b>5,853,216,021</b>	<b>2,074,964,465</b>

(\*) Parts of these projects were pledged to obtain loans from banks (Note 22).

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as at and for the year ended 31 December 2015

10. TANGIBLE FIXED ASSETS

VND'000

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
<b>Cost:</b>					
Beginning balance	50,174	-	8,120,451	2,174,549	10,345,174
Newly purchased	-	-	7,782,273	141,956	7,924,229
Increase from acquisition of subsidiaries	24,429,322	38,427,087	11,718,187	2,223,984	76,798,580
Disposed	-	(72,600)	(7,298,448)	-	(7,371,048)
Ending balance	24,479,496	38,354,487	20,322,463	4,540,489	87,696,935
<i>In which:</i>					
Fully depreciated	18,726,407	2,402,461	7,096,398	2,321,462	30,546,728
<b>Accumulated depreciation:</b>					
Beginning balance	50,174	-	4,080,866	1,840,090	5,971,130
Depreciation for the year	-	-	1,116,664	129,133	1,245,797
Increase from acquisition of subsidiaries	9,566,353	30,215,328	10,683,291	2,223,984	52,688,956
Disposed	-	(18,150)	(3,761,562)	-	(3,779,712)
Ending balance	9,616,527	30,197,178	12,119,259	4,193,207	56,126,171
<b>Net carrying amount:</b>					
Beginning balance	-	-	4,039,585	334,459	4,374,044
Ending balance	14,862,969	8,157,309	8,203,204	347,282	31,570,764

11. INTANGIBLE FIXED ASSETS

VND'000

	ISO Certificate	Accounting software	Total
<b>Cost:</b>			
Beginning balance	-	84,000	84,000
Increase from acquisition of subsidiaries	331,745	1,371,004	1,702,749
Ending balance	331,745	1,455,004	1,786,749
<i>In which:</i>			
Fully amortised	331,744	1,312,660	1,644,404
<b>Accumulated amortisation:</b>			
Beginning balance	-	84,000	84,000
Increase from acquisition of subsidiaries	331,745	1,265,245	1,596,990
Ending balance	331,745	1,349,245	1,680,990
<b>Net carrying amount:</b>			
Beginning balance	-	-	-
Ending balance	-	105,759	105,759



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 12. INVESTMENTS PROPERTIES

VND'000

	Factories	Infrastructure	Total
<b>Cost:</b>			
Beginning balance	-	-	-
Increase from acquisition of subsidiaries	5,018,482	140,746,607	145,765,089
Disposal	(5,018,482)	(8,881,393)	(13,899,875)
Ending balance	-	131,865,214	131,865,214
<b>Accumulated depreciation:</b>			
Beginning balance	-	-	-
Increase from acquisition of subsidiaries	4,124,642	51,931,199	56,055,841
Depreciation for the year	-	212,593	212,593
Disposal	(4,124,642)	(5,192,443)	(9,317,085)
Ending balance	-	46,951,349	46,951,349
<b>Net carrying amount:</b>			
Beginning balance	-	-	-
Ending balance	-	84,913,865	84,913,865

The fair values of the investment property at the balance sheet date had not yet been formally assessed and determined, but the management believed that it was much higher than the property's carrying values considering that the investment property (an industrial park) has been almost fully rented out as at the balance sheet date.

### 13. CONSTRUCTION IN PROGRESS

VND'000

	Ending balance	Beginning balance
Le Minh Xuan Expansion Industrial Park	234,647,054	-
Project 510 Kinh Duong Vuong	205,032,743	-
Others	282,393	-
<b>TOTAL</b>	<b>439,962,190</b>	-

### 14. LONG-TERM INVESTMENTS

VND'000

	Ending balance	Beginning balance
Investments in associates (Note 14.1)	210,515,935	-
Investments in other entities (Note 14.2)	17,135,455	14,000,000
<b>TOTAL</b>	<b>227,651,390</b>	<b>14,000,000</b>
Provision for long-term investments	(1,079,891)	-
<b>NET</b>	<b>226,571,499</b>	<b>14,000,000</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 14. LONG-TERM INVESTMENTS (continued)

#### 14.1 Investments in associates

	Ending balance		Beginning balance	
	VND'000	% of interest	VND'000	% of interest
Espace Big C An Lac	171,242,021	11.46	-	-
Green Buildings Company Limited	20,011,153	11.46	-	-
EB New City Company Limited	14,400,000	11.46	-	-
Saigon Asia Investment and Realty Corporation	4,862,761	28.66	-	-
<b>TOTAL</b>	<b>210,515,935</b>		-	

Saigon Asia Investment and Realty Corporation ("Saigon Asia Real Estate") is a joint stock company established in accordance with Business Registration Certificate No. 4103007346 issued by the DPI of Ho Chi Minh City on 19 July 2007, as amended. Saigon Asia Real Estate's registered office is located at No. 196 Tran Hung Dao Street, Nguyen Cu Trinh Ward, District 1, Ho Chi Minh City, Vietnam. Saigon Asia Real Estate's principal activities are to invest and trade real estate properties.

Espace Big C An Lac ("Big C") is a limited liability company with two or more members established in accordance with Investment License No. 2013/GP issued by the Ministry of Planning and Investment on 16 December 1997, as amended. Big C's registered office is located at No. 1231 National Road 1A, Quarter 5, Binh Tri Dong Ward, Binh Tan District, Ho Chi Minh City, Vietnam. Big C's principal activity is to develop and operate supermarket chains with retail and wholesale shops, warehouses and processing workshops.

Green Buildings Company Limited ("GB") is a limited liability company with two or more members established in accordance with Investment Certificate No. 411022000448 dated 14 August 2010 issued by the Ho Chi Minh City People's Committee. GB's registered office is located at No. 1231 National Road 1A, Quarter 5, Binh Tri Dong Ward, Binh Tan District, Ho Chi Minh City, Vietnam. GB's principal activity is to develop an apartment project for sale named Green Building in Ho Chi Minh City.

EB New City Company Limited is a limited liability company with two or more members established in accordance with Investment License No. 0313517445 issued by the Ministry of Planning and Investment on 2 November 2015, as amended. EB New City's registered office is located at Lot A, City Land Residential, Nguyen Thi Thap Street, Tan Phu Ward, District 7, Vietnam. EB New City Company's principal activity is to develop and operate supermarket chains with retail and wholesale shops, warehouses and processing workshops.



**14. LONG-TERM INVESTMENTS (continued)**

**14.1 Investments in associates (continued)**

Details of these investments in associates at the balance sheet date are presented as follows:

	Saigon Asia Real Estate	Big C	GB	EB	BCCI	Total
<b>Cost of investment:</b>						
Beginning balance	-	-	-	-	-	-
Additions	-	-	-	-	377,976,325	377,976,325
Increase from acquisition of subsidiaries	4,000,000	57,197,128	20,060,312	14,400,000	-	95,657,440
Decrease due to acquisition	-	-	-	-	(377,976,325)	(377,976,325)
Ending balance	4,000,000	57,197,128	20,060,312	14,400,000	-	95,657,440
<b>Accumulated share in post-acquisition profit (loss) of the associates:</b>						
Beginning balance	-	-	-	-	-	-
Increase from acquisition of subsidiaries	862,761	111,094,201	(32,417)	-	-	111,924,545
Share in post-acquisition profit (loss) of the associates for the year	-	2,950,692	(16,742)	-	11,975,935	14,909,885
Decrease due to acquisition	-	-	-	-	(11,975,935)	(11,975,935)
Ending balance	862,761	114,044,893	(49,159)	-	-	114,858,495
<b>Carrying amount:</b>						
Beginning balance	-	-	-	-	-	-
Ending balance	4,862,761	171,242,021	20,011,153	14,400,000	-	210,515,935

VND'000

**14. LONG-TERM INVESTMENTS (continued)**

**14.2 Investments in other entities**

	Ending balance		Beginning balance	
	Quantity	Value (VND'000)	Quantity	Value (VND'000)
Investments in securities				
Thu Duc Housing Development Corporation ("TDH")	15,300	1,312,145	-	-
Ho Chi Minh City Development Joint Stock Bank ("HDB")	12,331	123,310	-	-
Other long-term investments				
CVH Spring Company Limited ("CVH")		14,000,000		14,000,000
Others		1,700,000		-
<b>TOTAL</b>		<b>17,135,455</b>		<b>14,000,000</b>
Provision for long-term investments		(1,079,891)		-
<b>NET</b>		<b>16,055,564</b>		<b>14,000,000</b>

**15. CAPITALIZED BORROWING COSTS**

During the year, the Group capitalized borrowing costs in Khang Dien Long Truong project, Mega Village project, Sapphire Phu Huu project, The Venica project, Melosa project, Mega Ruby project, Nha Pho Building project, Nha Pho Phu Huu project, Gia Phuoc Phu Huu project, Lucasta project, Thap Muoi Phuoc Long B project and Binh Trung - Binh Trung Dong project amounting to VND'000 198,076,527 (for the year ended 31 December 2014: VND'000 65,335,168). These costs relate to borrowings taken to finance the construction of those projects.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

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### 16. GOODWILL

The movements in goodwill during the year are as follows:

	VND'000
<b>Cost:</b>	
Beginning balance	30,551,454
Increase from acquisition of subsidiaries	3,457,420
Ending balance	<u>34,008,874</u>
<b>Accumulated amortisation:</b>	
Beginning balance	19,696,968
Amortisation for the year	1,342,559
Ending balance	<u>21,039,527</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>10,854,486</u>
Ending balance	<u>12,969,347</u>

### 17. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

#### 17.1 Trade payables

	Ending balance	Beginning balance
VND'000		
Short-term		
Trade payables to suppliers	45,068,453	17,693,556
- Hoa Binh Construction and Real Estate Corporation	4,830,877	-
- An Pha Construction Design Company Limited	4,389,323	14,705,185
- Others	35,848,253	2,988,371
Trade payables to a related party (Note 29)	3,879,632	-
	<u>48,948,085</u>	<u>17,693,556</u>
Long-term		
Trade payables to suppliers	50,657,501	-
- Construction Corporation No.1	50,316,069	-
- Others	341,432	-
<b>TOTAL</b>	<b><u>99,605,586</u></b>	<b><u>17,693,556</u></b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 17. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS (continued)

#### 17.2 Advances from customers

	Ending balance	Beginning balance
VND'000		
Short-term		
Advances received for transfer of land lots, houses (*)	500,755,790	77,899,898
Advances received for transfer of land lots, houses from related parties (Note 29)	225,180	-
	<u>500,980,970</u>	<u>77,899,898</u>
Long-term		
Advances received for transfer of land lots, houses (*)	82,010,966	-
<b>TOTAL</b>	<b><u>582,991,936</u></b>	<b><u>77,899,898</u></b>

(\*) This represents advances from customers who buy land lots and houses for which the Group has issued the corresponding invoices.

### 18. STATUTORY OBLIGATIONS

	Ending balance	Beginning balance
VND'000		
Corporate income tax (Note 28.2)	53,400,336	34,956,040
Value-added tax	28,054,274	3,700,163
Personal income tax	10,030,419	282,372
Others	388,605	-
<b>TOTAL</b>	<b><u>91,873,634</u></b>	<b><u>38,938,575</u></b>

### 19. ACCRUED EXPENSES

	Ending balance	Beginning balance
VND'000		
Short-term		
Interest expense	28,131,269	16,061,185
Construction service costs	18,598,917	9,177,719
Others	3,314,434	1,916,139
	<u>50,044,620</u>	<u>27,155,043</u>
Long-term		
Construction service costs	106,699,017	-
<b>TOTAL</b>	<b><u>156,743,637</u></b>	<b><u>27,155,043</u></b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

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### 20. UNEARNED REVENUES

VND'000

	Ending balance	Beginning balance
Short-term		
Advances received for land leases of Le Minh Xuan Industrial Park	2,453,136	-
Others	147,658	-
	2,600,794	-
Long-term		
Advances received for land leases of Le Minh Xuan Industrial Park	208,197,968	-
<b>TOTAL</b>	<b>210,798,762</b>	<b>-</b>

### 21. OTHER PAYABLES

VND'000

	Ending balance	Beginning balance
Short-term		
Dividend payables	38,158,302	-
Deposits received	3,700,340	-
Others	46,987,886	85,892,753
	88,846,528	85,892,753
Long-term		
Land compensation payables (*)	99,342,790	-
Deposits received	2,843,610	-
Others	15,873,869	-
	118,060,269	-
<b>TOTAL</b>	<b>206,906,797</b>	<b>85,892,753</b>

(\*) This represents land compensation payable to owners of raw land where the Group is going to develop Hamlet 2 Tan Tao residential project. This payable will be subsequently paid out of the developed land lots from the said project.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 22. LOANS AND DEBTS

VND'000

	Ending balance	Beginning balance
Short-term		
Short-term loans from a bank (Note 22.1)	10,855,529	-
Current portion of long-term loans	207,963,996	224,031,600
	218,819,525	224,031,600
Long-term		
Long-term loans from banks (Note 22.2)	2,004,568,406	1,288,762,134
Loans from other entities (Note 22.3)	2,611,915	-
Bonds (Note 22.4)	900,000,000	-
	2,907,180,321	1,288,762,134
<i>In which:</i>		
Current portion of long-term loans	207,963,996	224,031,600
Non-current portion	2,699,216,325	1,064,730,534
<b>TOTAL</b>	<b>2,918,035,850</b>	<b>1,288,762,134</b>

#### 22.1 Short-term loans from a bank

Details of the short-term loans from a bank are as follows:

Bank	Ending balance	Principal repayment term	Purpose	Interest rate	Description of collateral
	(VND'000)			(% p.a.)	
<b>Vietnam Prosperity Joint Stock Commercial Bank – Ho Chi Minh Branch</b>					
Loan agreement No. 009/2015/HDHM/CMB-HCM dated 1 April 2015	10,855,529	From 30 March 2016 to 29 June 2016	To finance working capital	Fund transfer pricing plus 2% per annum	Unsecured



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 22. LOANS AND DEBTS (continued)

#### 22.2 Long-term loans from banks

Details of long-term loans from banks are as follows:

Bank	Ending balance (VND'000)	Principal repayment term	Purpose	Interest rate (% p.a.)	Description of collateral
<b>Saigon Thuong Tin Commercial Joint Stock Bank - Ho Chi Minh Branch</b>					
Loan Agreement No. LD1522500205 dated 15 July 2015	55,000,000	48 months	To finance Gia Phuoc Phu Huu project	13	Land use right of 29,562.1 square metres in Gia Phuoc Phu Huu project
Loan Agreement No. LD1222900189 dated 17 August 2012	147,500,000	60 months	To finance Khang Dien Long Truong project	9.5	Land use right of 122,673.9 square metres and associated buildings of Khang Dien Long Truong project
Loan Agreement No. LD1531700480 dated 16 November 2015	28,000,000	24 months	To finance Lucasta project	9.5	Land use rights of 1,971 square meters of Lucasta project
Loan Agreement No. LD14006300063 dated 4 March 2014	60,000,000	36 months	To refund charter capital in LPD	9.5	Land use right of 54,109 square meters and associated buildings of Long Phuoc Dien Long Truong project
Loan Agreement No. 000LDS20150446 dated 7 August 2015	88,000,000	36 months	To finance Thap Muoi Phuoc Long B project	9.5	Land use rights of 30,159 square metres and associated buildings of Thap Muoi Phuoc Long B project
Loan Agreement No. LD1522500278 dated 13 August 2015	175,000,000	48 months	To develop project Binh Trung - Binh Trung Dong, District 2	9.5	Land use right of 50,395 square metre in Binh Trung - Binh Trung Dong project
<b>Vietnam Bank for Industry and Trade – Branch 1</b>					
Loan Agreement No. 121/2015 - HDTDA/ NHCT902-NHAPHO-DANCU dated 12 August 2015	120,217,115	48 months	To finance Nha Pho Phu Huu project	9	Land use right of 44,725 square metres and associated buildings of Nha Pho Phu Huu project
Loan Agreement No. 122/2015 - HDTDA/ NHCT902-NHAPHO-CAOOC dated 12 August 2015	156,195,245	48 months	To finance Nha Pho Building project	9	Land use right of 16,667 square meters and associated buildings of Nha Pho Building project
Loan Agreement No. 123/2015-HDTDDA/ NHCT902-KHONGGIANXANH dated 12 August 2015	417,384,276	42 months	To finance Lucasta project	9	Land use right of 20,869 square meters and associated buildings of Lucasta project

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 22. LOANS AND DEBTS (continued)

#### 22.2 Long-term loans from banks (continued)

Details of long-term loans from banks are as follows: (continued)

Bank	Ending balance (VND'000)	Principal repayment term	Purpose	Interest rate (% p.a.)	Description of collateral
<b>Vietnam Export Import Commercial Joint Stock Bank - Ho Chi Minh Branch</b>					
Loan Agreement No. 2000-LAV-201403464 dated 26 June 2014	98,553,579	36 months	To finance Mega Village project	13	Land use rights of 64,000 square metres and associated buildings of Mega Village project
Loan Agreement No. 2000-LAV-201406284 dated 10 December 2014	81,869,598	36 months	To finance Sapphire Binh Trung Dong project	From 10 to 11	Land use rights of 24,120 square metres of Sapphire Phu Huu project
Loan Agreement No. 2000LDS20150446 dated 19 March 2015	132,955,751	48 months	To finance The Venica project	10	Land use right of 44,725 square metres and associated buildings of The Venica project
<b>Orient Commercial Joint Stock Bank – District 4 Branch</b>					
Loan agreement No. 06/2015/ HDTD-DN dated 1 July 2015	283,442,449	38 months	An Lac Plaza Building, Hamlet 2 Tan Tao Residential and 11A Residential project	9.5	Land use right of 17,244 square meters No T00013/1aQSDD/4028/UB and No. CT01135 and associated assets at An Lac Ward, Binh Tan District, belonging to belonging to 158 An Duong Vuong project
<b>Saigon Thuong Tin Commercial Joint Stock Bank - Binh Tan Transaction office</b>					
Loan agreement No. LD1424800048 dated 5 September 2014	78,750,389	From 5 September 2016 to 5 September 2019	Phong Phu 4 residential project	Savings deposit interest plus 3.2% per annum	Land use rights of 20,996 square meters at Phong Phu Ward, Binh Chanh District belonging to Phong Phu 4 Residential project
Loan agreement No. LD1502100187 and LD1502100188 dated 21 January 2015	81,700,004	From 20 July 2016 to 21 Jan 2030	Payment 100,000 m <sup>2</sup> land rental fee at Quarter 5, Binh Tri Dong B Ward, Binh Tan District	6% per annum of the original principal	20% of capital contribution in Big C and land use rights of 172,031.8 square meters at Binh Hung Ward, Binh Chanh District belonging to Binh Hung 11A residential project
<b>TOTAL</b>	<b>2,004,568,406</b>				
<i>In which:</i>					
<i>Current portion</i>	206,243,996				
<i>Long-term portion</i>	1,798,324,410				



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 22. LOANS AND DEBTS (continued)

#### 22.3 Loans from other entity

Details of the long-term loan from other entity are as follows:

Lender	Ending balance	Principal repayment terms	Purpose	Interest rate	Description of collateral
	(VND'000)			(% p.a.)	
<b>Ho Chi Minh City Finance and Investment State Owned Company</b>					
Loan agreement No. 17/2010/ HDTD-QDT-TD dated 27 May 2010 and appendix No.113/2015/ PLHDTD-DTTC-TD dated 4 June 2015	2,611,915	From 15 September 2016 to 15 June 2017	Wastewater treatment project in Le Minh Xuan Industrial Park	8.2	Guarantees Letter from Saigon Thuong Tin Commercial Joint Stock Bank (Note 6)
<i>In which:</i>					
Current portion	1,720,000				
Non-current portion	891,915				

#### 22.4 Bonds

Details of bonds are as follows:

Lender	Ending balance	Principal repayment terms	Purpose	Interest rate	Description of collateral
	(VND'000)			(% p.a.)	
<b>Issued at par value: Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi Branch</b>					
Order contract No. 01/2015/ VIETINBANK106 -KHANGDIEN dated 26 October 2015	900,000,000	48 months	To finance Melosa project	9	Land use right of 72,292.8 square meters of Melosa project

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 23. OWNERS' EQUITY

#### 23.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury share	Investment and development fund	Financial reserve fund	Undistributed earnings	Total
<b>Previous year:</b>							
Beginning balance	480,699,740	498,373,400	(55,093,331)	23,254,345	11,661,009	6,762,644	965,657,807
Share issuance	269,300,260	94,035,091	-	-	-	-	363,335,351
Re-issuance of treasury shares	-	12,283,669	55,093,331	-	-	-	67,377,000
Net profit for the year	-	-	-	-	-	102,109,114	102,109,114
Ending balance	750,000,000	604,692,160	-	23,254,345	11,661,009	108,871,758	1,498,479,272
<b>Current year:</b>							
Beginning balance (*)	750,000,000	604,692,160	-	34,915,354	-	108,871,758	1,498,479,272
Share issuance (**)	1,050,000,000	555,222,000	-	-	-	-	1,605,222,000
Net profit for the year	-	-	-	-	-	260,418,673	260,418,673
Acquisition of non-controlling interest	-	-	-	-	-	2,098,446	2,098,446
Dividend declared	-	-	-	-	-	(100,800,000)	(100,800,000)
Transfer to bonus and welfare fund	-	-	-	-	-	(1,289,475)	(1,289,475)
Ending balance	1,800,000,000	1,159,914,160	-	34,915,354	-	269,299,402	3,264,128,916

(\*) During the year, the Group transferred all the beginning balance of financial reserve fund to investment and development fund in accordance with the guidance of Circular 200 (Note 32).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

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### 23. OWNERS' EQUITY (continued)

#### 23.1 Increase and decrease in owners' equity (continued)

(\*\*) On 28 January 2015, the Company issued 48,480,000 ordinary shares to new and existing shareholders in a private placement at the price of VND 17,000 per share amounting to VND'000 824,072,000 after deducting the related costs of issuance amounting to VND'000 88,000.

On the same date, the Company issued 2,520,000 ordinary shares to the Group' employees under Employee Share Option Program at the price of VND 10,000 per share amounting to VND'000 25,200,000.

On 15 May and 19 May 2015, the Company received amended Business Registration Certificate issued by the Department and Investment of Ho Chi Minh City for above issuances.

On 1 December 2015, the Company issued 3,600,000 ordinary shares to the Company and its subsidiaries' employees under Employee Share Option Program at the price of VND 14,000 per share amounting to VND'000 50,350,000 after deducting the related costs of issuance amounting to VND'000 50,000. On 13 January 2016, the Company received amended Business Registration Certificate issued by the Department and Investment of Ho Chi Minh City for this issuance.

On 17 December 2015, the Company issued 50,400,000 ordinary shares to new and existing shareholders in a private placement at the price of VND 14,000 per share amounting to VND'000 705,600,000. On 22 January 2016, the Company received amended Business Registration Certificate issued by the Department and Investment of Ho Chi Minh City for this issuance.

#### 23.2 Capital transactions with owners and distribution of dividends

VND'000

	Current year	Previous year
<b>Contributed share capital</b>		
Beginning balance	750,000,000	480,699,740
Increase	1,050,000,000	269,300,260
Ending balance	1,800,000,000	750,000,000
<b>Dividends</b>		
Dividend declared	100,800,000	-
Dividend paid	100,784,572	-

#### 23.3 Share capital - ordinary shares

	Current year	Previous year
	Number of shares	Number of shares
Authorized shares	180,000,000	75,000,000
Issued and paid-up shares		
<i>Ordinary shares</i>	180,000,000	75,000,000
Shares in circulation		
<i>Ordinary shares</i>	180,000,000	75,000,000

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 24. REVENUE

#### 24.1 Revenue from sale of goods and rendering of services

VND'000

	Current year	Previous year
<b>Gross revenue</b>	<b>1,051,919,567</b>	<b>630,829,839</b>
<i>Of which:</i>		
<i>Sale of residential land properties</i>	987,938,151	630,829,839
<i>Operating lease</i>	52,670,534	-
<i>Rendering of services</i>	4,741,323	-
<i>Others</i>	6,569,559	-
<b>Less</b>		
Sale returns (*)	(1,979,159)	(9,751,132)
<b>Net revenue</b>	<b>1,049,940,408</b>	<b>621,078,707</b>
<i>Of which:</i>		
<i>Sale of residential land properties</i>	985,958,992	621,078,707
<i>Operating lease</i>	52,670,534	-
<i>Rendering of services</i>	4,741,323	-
<i>Others</i>	6,569,559	-

(\*) This represents the sale returns from Mega Phu Huu and Long Phuoc Dien projects.

#### 24.2 Finance income

VND'000

	Current year	Previous year
Gains on revaluation of investment	34,770,414	-
Gains on disposal of investments	29,822,369	103,844,177
Interest income	14,752,584	9,942,027
Others	10,438	-
<b>TOTAL</b>	<b>79,355,805</b>	<b>113,786,204</b>

### 25. COSTS OF GOODS SOLD AND SERVICES RENDERED

VND'000

	Current year	Previous year
Cost of residential land properties	688,703,122	530,324,691
Cost of operating lease	22,563,384	-
Cost of services rendered	779,132	-
Others	248,193	-
<b>TOTAL</b>	<b>712,293,831</b>	<b>530,324,691</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

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### 26. FINANCE EXPENSES

VND'000

	Current year	Previous year
Discount for early payment	50,446,727	8,231,521
Loan interests	8,513,956	35,098,794
Consulting fee for disposal of an investment	-	6,000,000
Others	189,204	323,836
<b>TOTAL</b>	<b>59,149,887</b>	<b>49,654,151</b>

### 27. OTHER INCOME AND EXPENSES

VND'000

	Current year	Previous year
<b>Other income</b>	<b>105,972,532</b>	<b>17,637,533</b>
Negative goodwill from acquisition	99,811,028	13,542,974
Others	6,161,504	4,094,559
<b>Other expenses</b>	<b>(16,099,085)</b>	<b>(310,748)</b>
Loss from disposal of fixed assets	(940,702)	-
Tax penalty	(2,419,231)	(246,442)
Penalty on violation of contract	(7,477,019)	-
Others	(5,262,133)	(64,306)
<b>NET</b>	<b>89,873,447</b>	<b>17,326,785</b>

### 28. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Group is 22% of taxable profits.

The Company and its subsidiaries tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations are susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

#### 28.1 CIT expense

VND'000

	Current year	Previous year
Current CIT expense	47,325,157	19,349,716
Deferred income tax expense	1,492,591	22,724,400
<b>TOTAL</b>	<b>48,817,748</b>	<b>42,074,116</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 28. CORPORATE INCOME TAX (continued)

#### 28.2 Current tax (continued)

The current tax payable is based on taxable profit for the year. The taxable profit of the Company and its subsidiaries for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company and its subsidiaries' liabilities for current tax is calculated using tax rates that have been enacted at the balance sheet date.

A reconciliation between profit before tax in the consolidated income statement and estimated taxable profit is presented below:

VND'000

	Current year	Previous year
<b>Profit before tax</b>	<b>324,322,306</b>	<b>104,885,646</b>
<b>Adjustments:</b>		
Loss in subsidiaries	52,498,421	4,713,094
Non-deductible expenses	19,947,384	2,976,082
Unrealised profit	6,593,896	-
Realised unbilled profit of previous years	6,572,417	13,079,744
Share of (profit) loss in associates	(14,909,885)	4,492,283
Interest expense	(66,313,240)	(24,509,726)
Consolidation adjustments	(89,921,731)	68,693,388
Others	(1,620,200)	7,354,679
<b>Adjusted net profit before loss carry forward</b>	<b>237,169,368</b>	<b>181,685,190</b>
Tax loss carried forward	(12,601,676)	(95,206,816)
<b>Estimated current taxable profit</b>	<b>224,567,692</b>	<b>86,478,374</b>
Estimated current CIT expense	48,573,267	18,779,833
(Over) under accrual of tax from prior years	(1,248,110)	569,883
<b>Current CIT expense</b>	<b>47,325,157</b>	<b>19,349,716</b>
CIT payable at beginning of year	34,688,819	50,914,653
Provisional CIT on cash collection	(10,501,655)	(16,273,783)
Increase due to acquisition of subsidiaries	16,508,807	355,385
CIT paid during the year	(34,888,013)	(19,657,152)
<b>CIT payable at end of year</b>	<b>53,133,115</b>	<b>34,688,819</b>
<i>In which:</i>		
CIT payable at end of year	53,400,336	34,956,040
CIT overpaid at end of year	(267,221)	(267,221)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

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### 28. CORPORATE INCOME TAX (continued)

#### 28.3 Deferred tax

The following are the deferred tax assets and liabilities recognized by the Group, and the movements thereon, during the current and previous year:

VND'000

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax assets</b>				
Unrealised profit	1,461,344	-	1,461,344	-
Accrued expenses	1,109,032	1,651,954	(542,922)	1,617,449
Interest expenses	-	2,293,123	(2,293,123)	2,287,761
Provision for severance allowance	-	3,094	(3,094)	399
Tax loss carried forward	-	-	-	(1,410,780)
<b>TOTAL</b>	<b>2,570,376</b>	<b>3,948,171</b>	<b>(1,377,795)</b>	<b>2,494,829</b>
<b>Deferred tax liabilities</b>				
Tax loss carried forward	6,502,982	-	6,502,982	(19,416,500)
Provision for severance allowance	341,044	91,733	249,311	(8,512)
Accrued expenses	70,269	34,300	35,969	(8,690)
Interest expense	-	12,295,790	(12,295,790)	(3,422,660)
Accrued interest income	(337,016)	-	(337,016)	-
Profit from sale of land properties but not yet taxable	(43,590,357)	(49,395,324)	5,804,967	1,998,385
Increase due to acquisition of subsidiaries	(28,901,210)	-	(75,219)	(4,361,252)
<b>TOTAL</b>	<b>(65,914,288)</b>	<b>(36,973,501)</b>	<b>(114,796)</b>	<b>(25,219,229)</b>
<b>Net deferred income tax expense</b>			<b>(1,492,591)</b>	<b>(22,724,400)</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 29. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the current and previous years were as follows:

VND'000

Related party	Relationship	Transaction	Current year	Previous year
Le Gia Consulting Company Limited	Related party	Purchase of service	318,565,889	-
		Collect from disposal of an investment in MG	83,538,000	-
		Dispose of investment in MG	-	119,340,000
Dong Thanh Real Estate Trading Investment Company Limited	Related party	Capital contribution for ICC	11,012,830	191,387,046
		Collection from ICC	131,012,830	71,387,046
CVH Spring Company Limited	Related party	Loans repayment	-	12,274,700
		Interest payment	-	2,803,311
		Loan interest	-	1,172,547
Loc Duc Investment Company Limited	Related party	Capital contribution for ICC	-	137,000,000
Gia An Investment and Real Estate Trading Company Limited	Related party	Investment consulting service received	-	6,000,000
Mr Nguyen Dinh Bao	Deputy General Director	Sales return	-	2,730,109

#### Transactions with other related parties

Remuneration to members of the Board of Directors and management

VND'000

	Current year	Previous year
Salaries and bonus	9,445,625	7,559,424



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

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### 29. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts from and due to related parties at the balance sheet date were as follows:

			VND'000	
Related party	Relationship	Transaction	Current year	Previous year
<b>Short-term trade receivable</b>				
Ms Truong My Linh	Related party	Sale of residential land properties	1,276,763	-
<b>Short-term advance to supplier</b>				
Le Gia Consulting Company Limited	Related party	Purchase of service	240,666,326	-
<b>Other short-term receivables</b>				
Le Gia Consulting Company Limited	Related party	Payment on behalf	96,528	-
		Dispose of investment in MG	-	83,538,000
CVH Spring Company Limited	Related party	Loans	-	8,785,300
		Loan interest	-	986,124
Ms Le Thi Hoang Yen	Related party	Advances	-	2,830,000
			<b>96,528</b>	<b>96,139,424</b>
<b>Short-term trade payable</b>				
Le Gia Consulting Company Limited	Related party	Purchase of service	(3,879,632)	-
<b>Short-term advance from customer</b>				
Mr Nguyen Thuy Nhan	Related party	Advances	(225,180)	-

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 30. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

			VND'000	
	Current year	Previous year		
Net profit after tax attributable to ordinary equity holders of the Company	260,418,673	102,109,114		
Less bonus and welfare fund	(1,289,475)	-		
Net profit attributable to ordinary equity holders of the Company	259,129,198	102,109,114		
Weighted average number of ordinary shares	124,316,712	63,588,249		
Earnings per share				
- Basic	2.08	1.61		
- Diluted	2.08	1.61		

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

### 31. COMMITMENTS

#### Capital commitments

As the balance sheet date, the Group has a commitment of VND'000 637,327 (31 December 2014: VND'000 791,711) principally related to the development of infrastructure of Le Minh Xuan Industrial Park.

#### Lease commitments

The Group leases office premises under an operating lease arrangement. Future minimum lease payables at the balance sheet date were as follows:

			VND'000	
	Current year	Previous year		
Less than 1 year	12,535,555	3,534,768		
From 1 to 5 years	23,857,332	5,870,647		
More than 5 years	2,046,898	-		
<b>TOTAL</b>	<b>38,439,785</b>	<b>9,405,415</b>		



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2015

### 32. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures in the consolidated financial statements for the year ended 31 December 2014 have been reclassified to reflect the presentation of the current year's consolidated financial statements in accordance with Circular 200. Details are as follows.

VND'000

	<i>Beginning balance (previously presented)</i>	<i>Reclassification</i>	<i>Beginning balance (reclassified)</i>
<b>CONSOLIDATED BALANCE SHEET</b>			
Other short-term receivables	163,618,133	257,253,053	420,871,186
Other current assets	253,053	(253,053)	-
Other long-term receivables	-	2,214,844	2,214,844
Other long-term investments	271,000,000	(257,000,000)	14,000,000
Other long-term assets	2,214,844	(2,214,844)	-
Other long-term liabilities	422,784	(422,784)	-
Long-term provision	-	422,784	422,784
Investment and development fund	23,254,345	11,661,009	34,915,354
Financial reserve fund	11,661,009	(11,661,009)	-

### 33. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Nguyen Tran Cam Hien  
Preparer  
29 March 2016



Tra Thanh Tra  
Chief Accountant



Ngô Thị Mai Chi  
Deputy General Director

Separate Financial Statements of Khang Dien House Trading and Investment JSC on 31 December 2015 was audited by ERNST & YOUNG Vietnam Limited Company and announced at website [www.khangdien.com.vn](http://www.khangdien.com.vn)



Please visit this website  
<http://www.khangdien.com.vn/bao-cao-tai-chinh/276>

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